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NEWS SUMMARY

GENERAL

Basques bomb Spanish resorts

Basque Separatist ...ion ETA stepped up its ...cks on Spanish resorts ...t at the Government's ...nent of some 100 ...TA members, British officials in Spain ...K tour operators and ...about the campaign. ...bombs exploded in ...—a resort favoured by ...ch and West German holiday firms—damag...p and a hotel. No one

...r bomb at Malaga was but a fourth exploded in Marbella, the Costa most fashionable holi... There were no ... injuries. Page 2

...urnalist ...en up

...journalist investigat...estions that Pakistan developing a nuclear ...as beaten up in an ... street yesterday. ...herwell, correspondent ...nancial Times and the ... he was attacked by eight men. Pakistan ...d it is building a bomb. ... this week, the French said its ambassador ...enior colleague were on a sight-seeing trip ...uclear research centre ...lamabad.

...gage rise

...lding society receipts lowest level for more ...years, a decision to ... 11¾ per cent home ...est rate by 1 per cent ...ed on July 13. Back

...er' letter

...kshire police hunting ... of 11 women in the ... England published a ...ught to be written by ...shire Ripper, in which ...to his murders as a

...gomery aide

...eneral Sir Francis de ...l, chief of staff to Lord ...ery and one of the ... of the Allied victory ...ar, died at his Cannes ...ed 78.

...victory

...Bjorn Borg, in his ...astating form so far at ...'s Wimbledon, beat ...'s Hank Pfister 6—4, ...—3. The defending ...champion, Martina ...va, from Czechoslo...at Rosie Casals of the ...3, 6—3. Page 14

...retires

...Alexander Haig, 54, ...ped a bomb attempt on ...in Brussels on Monday, ...as NATO's Supreme ...der in Europe.

...an protest

...an 50,000 supporters ...'s Marxist People's ...n guerrilla organisation ...rated in Tehran against ...htward drift of the revolution.

...lesia boycott

...use of Representatives ...d a resolution that ...s against the new Salis...overnment should be ...y October 15, but that ...t Carter should make ...decision. Page 2

...ly . . .

...esident Jake Ecclestone ...appeal at Nottingham ...ourt against fines total...0 after incidents on a ...ine.

...Yogi in New Delhi has ...to use his powers to ...the U.S. falling sylab ...aching earth.

... four people were killed ...injured in Iowa torna...

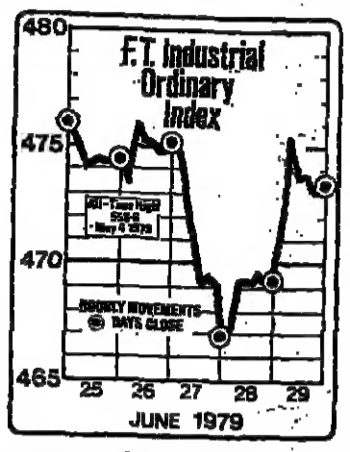
...convicts at Liege prison ...to their cells.

BUSINESS

Equities up 4.1; Gold gains $2½

● GILTS advanced on sizeable overseas investments which soon exhausted the two tap stocks. Longs gained by up to ¾, but the possibility of a new tap pared gains in shorts. The Government Securities index rose 0.28 to 71.09.

● EQUITIES early gains were trimmed by worries of the stronger sterling hitting exports. The FT 30-share index closed 4.1 up at 473.4.



● STERLING continued to strengthen, closing at $2.1800. Its trade-weighted index rose to 69.5 (69.4). The dollar fell to DM 1.8380 (DM 1.8445), and its trade-weighted index was 85.1 (85.0).

● GOLD rose $2½ in London to $279¾.

● WALL STREET was 1.23 up at 841.81 near the close.

● TRANS WORLD AIRLINES has applied to the U.S. Civil Aeronautic Board for a 10 per cent rise in all Trans-Atlantic fares from September 15. Back Page

● BARCLAYS, National Westminster, and Bank Leumi le Israel are expanding their business in New York by buying 55 retail branches owned by Bankers Trust of New York. Page 25

● PHARMACEUTICAL companies supplying the £250m UK non-prescription medicines market are worried over an EEC draft directive on advertising such drugs. Page 3

● REGIONAL AID will continue to protect areas worst hit by planned shipyard closures and other industrial decline, the Industry Secretary indicated in the Tyne-Tees area. Page 3

● CONSTRUCTION industry in most European countries will see a small drop in output, it was forecast at a building and civil engineering conference. Page 3

LABOUR

● POST OFFICE engineers have postponed industrial action by the 124,000-strong union due to begin tomorrow over a 25 per cent pay claim. Page 4

● MORE THAN 2,000 Chrysler UK workers went on indefinite strike over pay at the Ryton assembly plant in Coventry. The 3,000 workers at nearby Stoke engine plant are likely to join the strike. Page 4

COMPANIES

● LONRHO taxable profits fell to £37.1m for the half-year to March 31, compared with a published figure of £42.1m and a restated £38.9m for the same period in 1978. Page 22 and Lex

● JOHN BROWN and Co., the gas turbine and engineering group, saw taxable profits rise from £23.2m to a record £28.37m in the year to March 31. Page 22 and Lex

● WOLSELEY-HUGHES, the central heating equipment distributor group, has made an agreed offer of over £23m for John James, the industrial holding group. Page 22

● BP is selling 22 per cent of its Gothenburg refinery and 20 per cent of its Swedish distribution system to the State-owned Svenska Petroleum. Page 22

...F PRICE CHANGES YESTERDAY

(In pence unless otherwise indicated)

RISES		
...12½pc 92...	£100¾	+ ½
...Leisure	92½	+ 4
...ts	129	+ 7
...and	70	+ 3
...(J.)	505	+ 12
...Warrants	113	+ 4
...nds	194	+ 8
...iscount	103	+ 5
...Metropolitan	139	+ 8
...ere Ests.	204	+ 8
...Motor	58	+ 5
...(J.)	79	+ 24
...Secs.	293	+ 10
...	171	+ 4
MFI Furniture	162	+ 8
Redland	183	+ 7
Slough Ests.	114	+ 5
Sound Diffusion	134	+ 11
Whitbread A	124	+ 3
Pancontinental	725	+ 63

FALLS		
Treas. Variable 82	£96½	− ¼
Abercom	97	− 5
Electrocomponents	423	− 20
Lonrho	75	− 3
Midland Bank	382	− 10
Standard Chartered	456	− 12
Wolseley Hughes	243	− 22
BP	1245	− 21

Tough bargaining ends with import limits deal

Summit agrees on common oil strategy

BY REGINALD DALE IN TOKYO

THE WORLD'S seven leading industrialised democracies agreed at the Tokyo economic summit yesterday on what they called "a common strategy" to combat the oil crisis, rising world inflation, and lower economic growth.

Its main plank is a series of oil import limits for each participating country: the U.S., UK, France, West Germany, Italy, Canada and Japan.

As the meeting ended, Herr Helmut Schmidt, the West German Chancellor, emphasised that the Tokyo programme must be followed by firm action, backed by general recognition that Western economies and societies would have to undergo *far-reaching changes.*

Unresolved differences of national interest mean that oil-import targets vary from country to country. But a broad compromise was finally struck, in which the U.S. has agreed on a medium-term objective of limiting imports to 8.5m barrels a day in 1985, in exchange for a commitment by the EEC countries to define their oil-import quotas more precisely.

The summit nations, in a communiqué, deplored the latest Organisation of Petroleum Exporting Countries decision to raise oil prices, which might endanger stability in developing and industrialised countries. However, Ministers in Tokyo considered it significant that the West had for the first time adopted a joint response to OPEC at such high level.

If the plan is implemented, the hope is that demand for oil will fall more level with supply and prices be held in check accordingly. It was clear, however, that all participants had *settled for the formula that they* thought would allow them most supplies, and that big differences remained between the European participants and their three non-European partners, the U.S., Canada and Japan.

It also seems likely that the *decision will provoke further* difficulties in the EEC. The four participating EEC countries agreed to "recommend to their Community partners" that each member should specify its contribution to the overall Community import target set at last week's EEC summit in Strasbourg.

The five EEC members not represented, the Benelux countries, Denmark and Ireland, will almost certainly be unhappy at the way in which they have been given specific import quotas, rejected at Strasbourg—even if in practice they should

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GADDAFFY THREAT TO STOP LIBYAN EXPORTS

COLONEL GADDAFFY, the Libyan leader, has said he has decided to stop all oil ***exports from Libya for up to*** **four years.**

The statement, published in the ***Arabic*** **magazine Mostaqbul after an interview last Monday, caused alarm on** ***Wall Street where trading in*** **the shares of Occidental and Marathon, the two U.S. oil companies most heavily dependent on Libya, had to be suspended.**

Col. Gaddaffy was quoted as saying: "We shall stop producing oil — except what we need for our own domestic consumption — for two years, perhaps three or four. The more we store oil in our ***ground the better it will be*** **for us."**

Though the loss of Libya's 1.8m barrels per day exports would be a serious blow to the industrial world at this moment, anything other than a short term stoppage of Libyan oil seem unlikely.

Last year Libya appears to have overspent its oil income, estimated at more than $8bn. The halting of oil exports for ***more than few months would*** **lead to the total collapse of the Libyan economy.**

Times may reappear soon after Thomson talks

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TIMES and its sister *newspapers could appear again* in a few weeks after agreement yesterday between Lord Thomson of Fleet, chairman of the International Thomson Organisation, which owns Times Newspapers, and Mr. Joe Wade, general secretary of the National Graphical Association, that the crucial issue of new technology is no longer an obstacle to republication.

Prospects of an end to the *dispute must now be considered* better than at any time since the suspension of publication *seven months ago.*

After the four-hour meeting, Lord Thomson, Mr. Wade and Mr. Les Dixon, NGA president, said in a joint statement: "We hope this major understanding on the issue of new technology will lead to the early republication of the Times, the Sunday Times and the three Times supplements, and will create the right constructive atmosphere for negotiations on all other *outstanding issues."*

Under the terms of the arrangements reached yesterday Times Newspapers is ready to resume publication before getting agreement with the NGA on the company's demand that journalists and advertising staff, as well as NGA members, must eventually be able to operate a new computer-based composing system.

The NGA has committed itself to entering into talks on new technology with the management and the two other unions involved—the National Union of Journalists and the National Society of Operative Printers, Graphical and Media Personnel (NATSOPA). It is intended that a "conclusion satisfactory to all parties" shall be reached within 12 months.

These talks will presumably still confront the fact that Times Newspapers and the NGA are divided on fundamental principles.

Talks between Times Newspapers and the NGA will begin immediately and the other two unions will become involved as soon as practicable.

Yesterday's dramatic moves *followed a request from* Mr. Wade for a personal meeting with Lord Thomson which met a quick, positive response. Last week the NGA national council decided to find new jobs for its 600 Times Newspapers members and that may have added to the presssure to break the deadlock.

Previous peace moves since Times Newspapers suspended publication on November 30 collapsed and the company still has other important difficulties to overcome before a resumption of production can be ensured. There was feeling last night, however, that the papers may return *within about six weeks if* all goes well.

With Times Newspapers now *prepared to resume publication* before obtaining a firm agreement on new technology the question whether suspension of publication was worthwhile is intensified. The dispute has so far cost £20m and led to more than 3,000 people losing their jobs.

The answer will be determined by whether or not the talks over the next 12 months lead to journalists and advertising staff being allowed to share access to the composing system with NGA members. At present only one British newspaper—the Nottingham Evening Post, where the NGA and NUJ are both in dispute—does not have exclusive NGA composition rights.

Many newspapers have introduced computer-based technology under agreements which leave all composing work in the hands of NGA members, but Times Newspapers has always maintained that this is not appropriate to its particular *needs, although most of the work* would still be done by the NGA.

The NGA sees the continuation of its exclusive composition rights as a principle which, if once surrendered, would undermine the future of the union.

Times Newspapers still has to reach agreement on manning levels and other industrial *relations reforms* with some remaining sections of its staff.

Lloyd's underwriters sued

BY JOHN MOORE

FIFTY-FIVE UNDERWRITING syndicates at Lloyd's of London are being sued for a total of $560m (£257m) by Federal Leasing of the U.S. It is the largest legal action in which the Lloyd's insurance market has become involved.

A 150-page writ was served earlier this week by Federal *Leasing's lawyers claiming punitive* damages of $500m, $50m compensatory damages, and $10m arising from insurance claims made against the market.

The action arises from computer leasing insurances which were arranged for Federal Leasing at Lloyd's through Adam Brothers Contingency, insurance brokers.

Computer leasing insurance business has presented Lloyd's *with one of the most serious* problems that its market has ever experienced. Lloyd's is treating the matter as it would deal with a large run of claims on a "catastrophe" such as a hurricane.

The troubles began for the market in 1977 when IBM began *issuing new series of computers.*

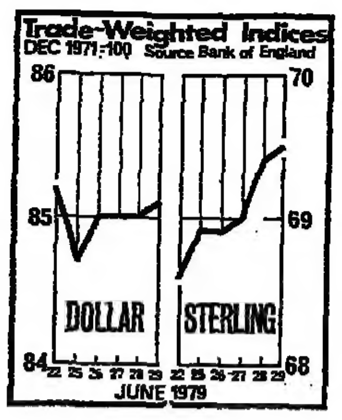
The insurance cover that had been arranged at Lloyd's on computer leases is complex but *essentially it protected a leasing* company against the losses arising from having to re-lease a machine for a lower rental, after the original lease has been terminated early, or from not being able to re-lease at all.

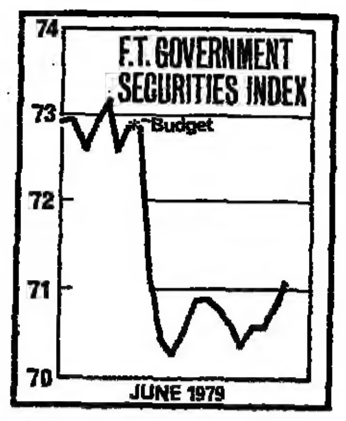
With new models coming on the market at a rapid rate the leasing companies have found that customers have traded in existing models earlier than expected. In these circumstances leasing companies have claimed on their insurances.

Lloyd's estimated that the market could face total claims of $225m.

Federal Leasing, whose account with Lloyd's represented 15 per cent of the total insured value of the computer insurance business, is the first to take legal action against underwriters on the business. The writ has joined 17 insurance companies in the action against the Lloyd's underwriters.

Lloyd's has engaged the Bank of Boston to deal with the financial aspects of settling the claims that are flooding into the Lloyd's market.





Pound climbs to $2.18

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING was in strong demand again yesterday, rising above $2.18 for the first time since mid-July, 1975.

The pound's strength reflects Britain's favoured status as an oil-producer at a time of rising oil prices. Overseas interest now appears to be working through to he gilt-edged market and probably contributed to the rapid exhaustion yesterday *morning of the 1984 short-*medium dated tap stock. Sizeable amounts were also sold of the long-dated 1999 stock.

Sterling and the main Continental currencies opened *slightly lower against the dollar.* This may have been partly because of the closing o fspeculative positions by banks at the end of their accounting half-years.

But as soon as trading started in New York, selling built up, and in spite of central bank intervention the dollar slipped from DM 1.8445 to DM 1.8380.

Sterling climbed to a peak of $2.1820, before closing 1.1 cents up at $2.18. This is a rise of 3.85 cents on the week and of over 10¾ cents in June.

Intervene

The trade-weighted index, calculated before the late rise in the pound, rose by 0.1 points to 69.5, an appreciation of 3.1 per cent since the Budget

Over the last week the Bank of England has continued to intervene on a relatively small scale and has allowed most of the demand to be reflected in *the exchange rate.*

The strong demand in the two and a-half weeks since the Budget may lead to a further review of exchange rate policy after the week-end when Sir Geoffrey Howe, the Chancellor, returns from the Tokyo summit.

Mrs. Thatcher has said she favours a strong currency as part of counter-inflation policy. This has been taken to mean a strong exchange rate which is not artificially supported.

Consequently a likely response to the pound's strength is a further relaxation of exchange controls on outward investment. There might be less nervousness about such a move since the first steps towards *relaxation announced in the* Budget have boosted confidence.

Changes

Any further moves would probably concern portfolio investment controls, since relaxations ithis area might have the biggest impact on capital flows. Most of the preparatory work has already been done for any further changes.

In the last two days the Bank of England has tied up more than £1bn of gilt-edged sales to finance Government borrowing in the banking month to mid-July. To the extent that the sales have gone directly to overseas residents the growth of the domestic money supply will not *be affected, though the proceeds* will finance public sector borrowing.

The scale of gilt sales to foreigners has in the past been exaggerated by the market, and most of the inflows of the last two months have gone into short-term money market deposits.

The 1984 stock exhausted yesterday amounted to £800m nominal. The 1999 issue, of which some is still available, totals £1bn nominal. Both are at present in a partly-paid form.

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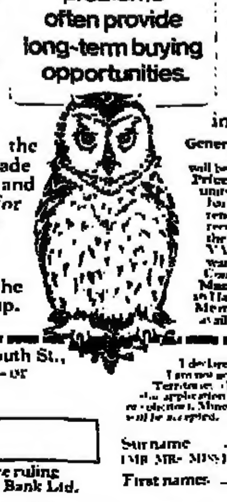
£ in New York

—	June 28	Previous
Spot	$2.1730-1740	$2.1645-1655
1 month	0.72-0.67 dis	0.85-0.80 dis
3 months	1.92-1.87 dis	1.92-1.87 dis
12 months	5.50-5.40 dis	5.58-5.48 dis



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WORLD REACTIONS TO THE TOKYO SUMMIT

U.S. oil target 'can be achieved'

BY DAVID LASCELLES IN NEW YORK

THE 8.5m barrel-a-day import target for 1985 agreed by President Carter at the Tokyo Summit could be achieved, energy experts here believe.

But only if the U.S. moves ahead with plans to improve conservation, raise fuel prices and boost non-oil energy supplies.

As the world's largest oil importer and energy-consumer, the U.S. has a special responsibility to cut demand.

But although Mr. Carter has so far had little success in delivering the promise he has made on energy, he must be counting on the rapidly-mounting concern in both Congress and among the public about the energy crisis to see him through.

The U.S. could have a tough time meeting the target, but it represents a victory in one sense for Mr. Carter. The 8.5m figure marks the highest level that U.S. imports ever reached—in 1977.

They dropped last year because of the start of Alaskan production, and would probably have gone back up to 8.5m again this year but for the world oil crisis.

delivering the promise he has

Against this, U.S. oil production has levelled out at just over 10m barrels a day (including gas distillate) and is unlikely to regiser a big boost between now and 1985.

In other words, Mr. Carter has pledged to hold U.S. oil consumption at its present level of around 19m barrels a day.

(It was not immediately clear whether the Tokyo agreement would allow U.S. oil imports to rise above 8.5m in the intervening years before declining to 8.5m b/d in 1985).

The widening gap between level oil supplies and the country's growing energy demand will have to be met in several ways, many of them still being thrashed out in the Administration and Congress.

The biggest is conservation, and here the U.S. record is better than is widely believed. While total energy consumption rose at an annual rate of 4.1 per cent between 1960 and the Arab oil embargo of 1973, it has risen at less than half that rate since then, because of the trend towards smaller cars, the more widespread use of insulation, and other energy-saving techniques.

Energy experts believe there are still substantial savings to be made here, particularly in vehicles, interior climate control and energy-saving machinery. Meanwhile, popular awareness of the energy crisis has grown.

Conservation will also be helped by the sharp rise in fuel prices arising both from Mr. Carter's programme to decontrol domestic oil prices, and from the actions of OPEC, which can now find their way more directly into the U.S. economy.

Petrol prices have already doubled in the past six months, though they still have some way to go before they reach European levels.

The strategy in the coming years will be to divert as much oil as possible into transport, which has few fuel alternatives, and encourage use of other fuels for power generation and heating.

President Carter

The principal ones are coal and natural gas. The U.S. at present has a large surplus of coal-producing capacity which could be put to use once the environmental and transport obstacles have been overcome.

The natural gas industry is being decontrolled, and while rising in price, gas is also expected to increase its share of the fuel balance in the years ahead.

The prospects for nuclear power took a sharp knock after the Three Mile Island accident. But Administration officials still hope that it will come to play a major role once the public adjusts to the new energy-short era.

Mr. Carter has promised more initiatives on energy in the coming weeks, and the signs are that he will find Congress more amenable than before.

Roger Boyes writes from Bonn: Mr. Ray Marshall, U.S. employment secretary, yesterday urged the oil-producing countries to recycle a substantial portion of the cash from the latest price rises and thus soften the blow to the Western employment markets.

Mr. Marshall, speaking at a joint news conference here with Herr Herbert Ehrenburg, German Labour Minister, said that the energy crisis and in particular the latest oil price rise, would probably drive up the unemployment rate in the U.S. from 5.8 per cent to 6.5 per cent in 1979-80.

EEC bound to limit imports

By Sue Cameron

THE EUROPEAN Economic Community is to keep its oil consumption down to 500m tonnes—10m barrels a day—during 1979, according to the communique which emerged from the Tokyo summit yesterday.

Common Market oil imports are also to be kept at 1978 levels between 1980 and 1985. France, Italy, West Germany and the UK—the EEC countries represented in Tokyo—are to recommend that all members of the Common Market accept a specified cutback in their oil imports.

Official sources said yesterday that arrangements for cutting back EEC oil imports to last year's levels seemed to have been kept deliberately vague. There was no indication of how the import cuts would affect the UK but it seemed likely that, because Britain was an oil producer, a special scheme would have to be organised for it.

Last year the UK imported 66m tonnes of oil, produced 52m tonnes from the North Sea and consumed 96m tonnes. North Sea production is increasing steadily—the UK is now producing enough oil to meet 85 per cent of its domestic demand—and a cut in British oil imports would be a relatively painless matter.

The Tokyo communique states that Japan, Canada and the U.S. are to achieve "the adjusted import levels to which they are pledged in the International Energy Agency" for 1979.

Government and oil industry sources said yesterday that they had no knowledge of any of these countries committing themselves to a cut in oil imports within the IEA. But it is thought that President Carter, who arrived early in Tokyo, may have agreed on an oil import cut with the Japanese: Canada may have followed.

It is possible that all three countries then informed the IEA of their plans to "adjust" their oil imports.

Howe reaffirms the need to control money supply

BY REGINALD DALE,

THE LATEST OPEC oil-price increase should not add significantly to the expected UK inflation rate, Sir Geoffrey Howe, Britain's Chancellor of the Exchequer, said at the end of the seven-nation summit here last night.

His recent Budget had taken account of an impending oil-price rise, he told a Press briefing.

The OPEC increase would reaffirm the need for money supply measures to combat inflation, Sir Geoffrey said. But he pointed out that the probable consequent strengthening of the UK exchange rate would have a compensatory effect.

Sir Geoffrey said he believed to be fairly accurate reports that the OPEC decision would put around 10p a gallon on pump prices of petrol in Britain.

He was dismissive, however, of suggestions that energy costs should somehow be removed from the retail price index. They will still only be a relatively marginal factor, and people would anyway have to spend less on other things as energy prices rose.

UK officials pointed out that the inclusion of oil costs in the retail price index between January, 1974, and January this year had actually kept it down. Energy prices had been rising less than others during that period, they said.

Mrs. Margaret Thatcher, the Prime Minister, told a Press conference that the Government would not "take its eye off" the UK inflation rate.

Britain, as an oil producer, was not insulated from the damaging effects of oil-price increases, which meant that other countries had less money with which to buy British exports.

The U.K. must not try to buy its way out of these difficulties with printed money, sh[e] stressed. There was more scop[e] for industrial productivity i[n]creases in the U.K. than els[e]where, although British agr[i]culture and commerce wer[e] efficient.

The Prime Minister r[e]affirmed the importance sh[e] attached to nuclear energ[y] while accepting that publi[c] opinion needed to be re-assure[d] about its safety. The Govern[]ment, however, had n[o] immediate specific nuclea[r] decisions in mind, she said.

Mrs. Thatcher said th[e] summit decision to set nation[al] oil import quotas for EEC coun[]tries would have no effect o[n] the U.K., which was in an[y] case aiming for nil net o[il] imports in the years 1980 t[o] 1985.

In the summit communiqu[e] the U.K. agreed to free[ze] imports at its 1978 figure (40[m] tonnes), which should provi[de] ample leeway, officials said.

Japan 'needs new energy sources'

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

SENIOR JAPANESE officials involved in drafting the Tokyo declaration on oil imports claimed last night that the commitment made by Japan to hold its 1985 oil imports down to 6.3m-6.9m barrels a day would not substantially affect Japan's economic growth over the next five years.

It is admitted, however, that Japan will have to devote far more attention to energy conservation and to the search for and development of alternative energy sources if this prediction is to hold good.

The figures written into the summit communique will allow Japan to increase its imports by between 900,000 and 1.5m barrels per day up to 1985 (depending whether the higher or lower figure is adopted). The lower of these two figures works out at annual increase loss of less than 3 per cent which contrasts with the published official GNP growth targets of nearly 6 per cent. The challenge facing Japan would thus seem to be to achieve a GNP growth rate over the next few years of something like double its projected oil import growth rate.

Japan's past performance in reducing the ratio of oil imports to GNP growth indicates that the 0.5 per cent ratio could be achieved but the figures are too variable to allow firm conclusions. Oil imports grew by 1.29 per cent for every 1 per cent of GNP growth before the 1973 oil crisis, then shrank during the 1974-75 recession.

Mrs. Thatcher, in a post-summit Press conference described the Japanese import target as "much better than no target at all", and added that Japan seemed to "have gone as far as it possibly could" i[n] accepting the demands of othe[r] nations for a reduction i[n] imports.

U.S. officials also appeare[d] satisfied with the Japanese posi[]tion.

Japan's oil imports average[d] 5.2m barrels per day in 197[] and rose to 5.38m barrels i[n] 1977 before declining last yea[r] to 5.23m barrels. The Govern[]ment estimates that this yea[r] imports will average 5.4m barrels—a figure which will be "frozen" as the maximum per[]missible import level in 1980.

Earlier this week a repor[t] from the Japan Economi[c] Research Centre predicted [a] sharp slowdown in the country['s] growth rate owing to risin[g] domestic inflation and mor[e] seriously a squeeze on Japan['s] oil imports.

Compromise reached on windfall profits tax

BY DAVID BUCHAN IN WASHINGTON

A COMPROMISE windfall profits tax has emerged from the House of Representatives that would tax 60 per cent of the extra profit which oil companies will garner as price controls are phased out over the next two years. This is stiffer than the 50 per cent rate proposed by President Carter in April, but less than the 70 per cent tax take, voted by the House Ways and Means Committee.

The tax plan now goes to the Senate, where it is likely to be further chopped and changed. A motive behind the original Ways and Means version was that any proposal reaching the Senate Finance Committee is likely to be watered down by its chairman, Senator Russell Long of Louisiana. Louisiana is an oil producing state, and Senator Long a man generally considered sympathetic to the oil industry.

The House-passed tax Bill would, it is estimated, raise \$23.3bn over the next five years out of oil company profits, not only from the decontrol of domestic prices but also from higher OPEC prices for world oil. This is \$2bn more than the estimated revenue from President Carter's proposal over the same period.

As passed by the House, the tax Bill bears more on oil currently produced and, compared to the Ways and Means Committee version. It weakens the tax provisions on newly discovered oil and on oil from marginal wells that require expensive methods of extraction. The House Bill also ends, in 1990, tax on the extra profit that oil companies will gain from general price increases by the Organisation of Petroleum Exporting Countries (OPEC).

The legislation creates an energy trust fund into which proceeds from the windfall tax would be paid. The Carter Administration proposed this in order to fund research and development of alternative energy sources, such as solar power, and to provide extra money for public transport.

OVERSEAS NEWS

Basque bomb campaign is new challenge to Madrid

BY ROBERT GRAHAM IN MADRID

THE WELL co-ordinated bombing campaign by militant Basque separatists in southern Spain's tourist resorts at the beginning of the peak summer season, has presented a new challenge to the Government.

It also marks a new departure in the tactics used by the Basque separatists organisation ETA.

Three bombs went off in Spanish holiday resorts yesterday. Earlier this week, four bombs exploded in Costa del Sol resorts and a further bomb was defused.

On Tuesday and Wednesday, bombs exploded at Funegirola and Torremolinos; while yesterday two bombs exploded at Benidorm and one was defused at Malaga.

In each case, warnings were telephoned in advance and there were no injuries although yesterday one bomb went off in the grounds of a Benidorm hotel.

The bombings have been claimed by the grouping within ETA known as "Politico-Militar." This grouping carries out actions of a political nature and does not usually associate itself with killings, carried out usually by ETA-Militar.

In statements to local radio stations in Bilbao, this grouping has said the bombings are to protest against the Government policy of keeping some 100 alleged ETA prisoners in one jail under special security guard at Soria, just outside the Basque country.

Normally, ETA confines its actions to the Basque country. The bombing incidents are being seen here as a warning to the Government, that ETA can—though not necessarily will—disrupt the vital tourist industry.

This is a vulnerable period, since over the next two months, the bulk of Spain's £3bn tourist earnings are expected.

Officials have insisted that there has been little concern among tourists in these resorts. Indeed, the officials seem more worried by the reactions of impending tourists outside Spain and more particularly, the attitude of the tour operators.

● City of London police were yesterday examining a letter warning that British tourists heading for popular Spanish holiday resorts could face terrorist bombs. The letter was one of two claiming to be from ETA and delivered to the Press Association.

U.S. leading indicators rise 0.4%

By Jurek Martin, U.S. Editor, in Washington

THE U.S. index of leading economic indicators, which points to future economic activity, rose by 0.4 per cent in May, reversing April's sharp decline.

The improvement does not, it is widely agreed here, mean that the downward trend in the economy has been halted.

The May figures should be seen more as a reaction to the aberrantly bad month of April, when a variety of special factors combined to worsen already declining economic output.

In fact, the Commerce Department revised the April returns to show a drop in the index of 2 per cent, compared with the originally-estimated record fall of 3.3 per cent.

If the index changes direction up or down for three months in a row, it is supposed to herald a change in economic fortunes.

In the first five months of the year, it has declined only twice, in January and April.

This is not an infallible guide and its evidence has to be matched against the preliminary calculations put out this week by the Commerce Department that real Gross National Product may have declined by more than 2 per cent in the present quarter.

House gives Carter final say on Rhodesia boycott

BY DAVID BUCHAN IN WASHINGTON

THE U.S. House of Representatives has let President Carter off the hook on Rhodesian sanctions, by giving him the final say on whether the U.S. national interest would be served by removing the trade boycott.

By a sweeping majority of 350 votes to 37, the House approved a resolution that sanctions against the new Salisbury Government should be lifted by October 15, but which included the all-important caveat that the President should make the final determination on this.

The size of the House majority vote was predictable, because the resolution had earlier been unanimously approved by the House Foreign Affairs Committee.

Also, because the anti-sanctions lobby has never been as vociferous or as well-organised in the House as in the Senate, and because the recent armed attacks on Zambian targets, ordered by Prime Minister Abel Muzorewa's Government, have given many members pause about endorsing the new Salisbury regime now.

The Congressional outcome on sanctions is not yet decided. The House action must be reconciled with a contrary vote by the Senate earlier to lift the trade boycott immediately, leaving no discretion to Mr. Carter.

But Mr. Carter can now, as he has threatened to do, veto any sanctions-lifting Congressional order with impunity, in the knowledge that in the House at least, there would not be enough votes to over ride him.

Tony Hawkins adds from Salisbury: Zimbabwe Rhodesia special branch police yesterday searched the home of the Rev Ndabaningi Sithole, looking for weapons, but none were found, a ZANU spokesman said. Police confirmed the search by five white and four black policemen, but would give no details.

Last week six young members of Mr. Sithole's ZANU were sentenced to a total of 45 years' imprisonment—19 of which were suspended—on charges of possessing arms of war—nine hand grenades.

Atom power to save fuel for Comecon

By David Satter in Moscow

MR. NIKOLAI FADEYEV, the Comecon Secretary, yesterday summed up the results of the three-day Comecon summit meeting with a strongly optimistic assessment of the effect of the planned shift to atomic energy on Comecon's energy balance.

Mr. Fadeyev told a press conference that the shift to nuclear power, which is planned for 1981-90 would, eventually save Comecon 70 million tonnes in fuel per year.

He also said that the entire increase in energy consumption in the European part of the Soviet Union would be met out of the production of atomic energy stations. Nuclear energy will provide 15 to 20 per cent of the electricity for Comecon countries outside the USSR.

Plans call for the creation of 150m kw of generating capacity in Comecon by 1990 but the transition to nuclear energy was not expected to lead to any immediate cut in growing Soviet oil exports to Comecon.

Western economic experts said the recent Soviet pledge to increase deliveries of fuel and energy to Comecon by 20 per cent in 1981-85 cannot be made good without significantly increased oil exports, although the export of electricity generated by atomic power will make a contribution.

There have been tough negotiations between the Soviet Union and Poland, Hungary and East Germany since last October over oil supplies and the problem of energy shortages in Eastern Europe was believed to have been discussed on all levels at the Comecon summit.

One economic source predicted that the bulk of the 20 per cent increase in deliveries would take the form of oil exports although Mr. Fadeyev refused to break down the 20 per cent figure into its component parts.

Soviet oil exports to Comecon are presently at a high level with 30m tonnes of oil having been exported during the first four months of 1979.

The Comecon summit also reached agreement on cooperation on chemical production which is aimed at reducing energy shipments. Under the agreement, the production of chemicals such as ammonia, polyethylene and methanol, which require a great deal of energy will be concentrated in the Soviet Union with the production of chemical which is less energy intensive concentrated in Eastern Europe.

Nicaragua peace move rejected

BY HUGH O'SHAUGHNESSY

THE ANTI-SOMOZA provisional Nicaraguan Government based here and its Sandinista guerrilla allies are continuing to reject moves by Washington to persuade them to come to terms with representatives of the Somoza régime.

Washington aims to create a Government of pro-Somoza and anti-Somoza elements, which would run the country after the departure of Gen. Somoza himself.

The provisional Government has given assurances that it intends to introduce a mixed economy in Nicaragua after the overthrow of President Somoza, in which private enterprise would be respected and a Parliamentary political process established.

But the Carter Administration is still distrustful of the anti-Somoza forces and is emphasising the help which it claims they have had from the Castro Government.

Despite intense pressure on the general from the Sandinista guerrillas, and diplomatically, from Washington and many Latin American States, Gen. Somoza continues to say he will not quit till the end of his "constitutional term" in 1981.

Mr. Lawrence Pezzullo, the new U.S. envoy to Nicaragua, arrived by military aircraft at Managua on Thursday and had an immediate interview with Gen. Somoza, bringing him a personal appeal from President Jimmy Carter to quit.

U.S. officials emphasise that Mr. Pezzullo did not formally present credentials to the General.

Mr. William Bowdler, the veteran U.S. ambassador who attempted to persuade Gen. Somoza to quit after the fighting in August and September last year, arrived in San Jose, Costa Rica, for talks on Thursday with President Rodrigo Carazo.

In the talks, he is believed to have pressed the Costa Rican leader to refuse all new supplies to the Sandinista guerrillas, who up till now have used Costa Rica as an important staging post.

Our Foreign Staff adds: The British Government and the EEC yesterday put their weight behind the demands for the resignation of President Anastasio Somoza of Nicaragua.

The British Foreign Office said it hoped the Somoza régime would quickly be replaced by a democratic one. It also deplored Somoza's bombing of his own capital and the loss of life in the country's civil war.

Dutch Cabinet finalises land reform Bill

By Charles Batchelor in Amsterdam

THE DUTCH Cabinet has agreed the final details of a Bill aimed at giving owners fair compensation for land acquired by local authorities for development projects.

It was over this issue that the previous Government fell in March 1977.

The new Bill, which will probably be presented to Parliament some time in the new Parliamentary year beginning at the end of August, takes the market value of land as the basis for compensation.

This will then be adjusted to nullify, for example, the effect of proposed housing developments on the price of farming land.

The present Centre-Right Government has already agreed that local authorities should be given priority in buying land for development. It is also proposing that purchasers of farming land should have some agricultural qualifications, to cut out speculators.

U.S. President flies to Seoul

BY RICHARD C. HANSON IN TOKYO

PRESIDENT CARTER will meet President Park Chung Hee this weekend in his first official visit to South Korea, during which discussions will be held on America's suspended plans gradually to withdraw U.S. ground troops.

A final review of the plan will have to wait Mr. Carter's return to Washington. But talks with Japanese officials during the U.S.-Japan bilateral summit talks earlier this week left the Japanese — who oppose withdrawal — highly appreciative of the present U.S. attitude.

Speculation insists that Mr. Carter will try to meet with Opposition leader (and one-time candidate for president) who has spent much of his time under house arrest since being kidnapped from a Tokyo hotel in 1973.

Kim Dae Jung was put under house arrest again recently after publicly supporting the new leader of the opposition New Democratic Party (NDP), Mr. Kim Young Sam, who has vigorously opposed the present Government.

The NDP's Kim Young Sam will have an opportunity to meet Carter briefly during a visit to the National Assembly, when Mr. Carter will meet some 30 legislators.

Kim Young Sam, long an active opponent of President Park, angered the Government earlier this month when he announced a willingness to meet with representatives of North Korea to discuss reunification.

The reasoning was that NDP strength in the last election—when it won more votes than the ruling Democratic Republican Party of President Park—gives it some right to take part.

This was a strong challenge to the Government which jealously guards its position as sole route for contact with the North.

Kim Young Sam was warned by authorities and has since toned down his remarks, while maintaining he has the right to make them. It is not known whether the Government will take action against him.

Meanwhile, the North Koreans have been stepping up their own campaigns in the North-South struggle. On Thursday, Mr. Ho Dam, North Korean Foreign Minister, used a reception for a visiting Sri Lankan delegation as an opportunity to say it would be willing to accept South Korea as one party in trilateral talks with the U.S.—which it previously had not been willing to do.

Diplomats in Tokyo doubt that the latest North Korean gesture will have any influence on the U.S. and South Korea. The North Korea message was not clear enough to be taken seriously.

Democracy poster attacks Wang

BY JOHN HOFFMANN IN PEKING

A NEW wallposter attack has been mounted against the unpopular but influential Wang Dongxing, a vice-chairman of the Chinese Communist Party Politburo.

A large poster has appeared on Peking's Democracy Wall, alleging that Mr. Wang has misappropriated State funds to build palatial accommodation for his family.

It calls for his removal from office and prosecution for alleged embezzlement.

Signed by the editorial board of the intellectual publication Peking Spring, the poster claims that Mr. Wang used about 7m yuan (about £2m) to put up housing covering about 5,000 sq. metres.

The poster says he had spent the money on the pretext of renovating old buildings in the Chungnanhai compound in Central Peking where members of the State and Party leadership have their homes and offices.

Public housing for 1,000 people could be built for that amount, the poster adds.

Mr. Wang was the subject of intense criticism during the wallposter activity which flourished in Peking late last year, when serious accusations were made about his affiliations with the Gang of Four.

Strong rumours have circulated several times this year that Mr. Wang might be removed from his posts.

The anti-Wang poster has appeared at a time when wallposters are under vigorous discussion by delegates to the meeting of the National People's Congress.

Asians avoid clash with Hanoi

BY OUR FOREIGN STAFF

SOUTH EAST ASIAN foreign ministers yesterday appeared determined to avoid a major confrontation with Vietnam over the "boat people."

One senior official of the Association of South East Asian Nations, which groups Indonesia, Malaysia, the Philippines, Singapore and Thailand, said: "We do not want to press the panic button at this stage. We will continue our negotiations with Vietnam." The meeting is considered unlikely to adopt any measures such as, for instance, breaking off diplomatic relations with Hanoi.

The foreign ministers of ASEAN are meeting on the Indonesian island of Bali and will be joined today by the Foreign Ministers of the U.S. and Japan. On Thursday President Jimmy Carter announced that the U.S. would double its monthly intake of refugees from Indochina to 14,000 as part of an agreement by the seven nations meeting at the Tokyo summit.

Officials attending the Bali conference say that the ASEAN ministers are expected to maintain their demand that Hanoi accept the prime responsibility for the refugee crisis and carry out a programme it has agreed with the United Nations High Commission for Refugees that it will regulate emigration.

Mr. Ilter Turkmen, a special envoy of the UN who is attending the Bali meeting as an observer, said yesterday that he hoped a compromise solution would be found. He disclosed that Japan had shown keen interest in financing the international conference.

In Dublin, however, Mr. Michael O'Kennedy, president designate of the EEC Council of Ministers, warned that the EEC may stop aid to Vietnam unless it takes action to halt the flood of boat people.

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UK NEWS

Statement demanded on oil for S.Africa

BY RICHARD EVANS AND MARTIN DICKSON

ITION LEADERS are to or a Commons statement eek on the Government's n to allow British Pet- to enter "swap" agree- ınder which North Sea oil sold to EEC markets in ge for oil from other es being sold to South

decision reverses the which Dr. David Owen sterday he adopted when Foreign Secretary and certain to produce an response in black Africa. Owen, now Shadow Secretary, yesterday d the Government's . He said it would reduce available for European s and reversed the pre- Government's policy to iority to the British con-

ever, Ministers argued he decision would not any practical difference availability of oil supplies ain or Europe.

of the "swap arrange- emerged from an ge of letters between Dr. and Lord Carrington, Secretary, the text of was released yesterday. s letter Dr. Owen said ıen he was Foreign Sec- he had not authorised a by BP to pass North Sea Conoco in exchange for passing oil to South The Labour Govern- ad been anxious to secure essible North Sea oil for end our EEC and Inter- l Energy Agency part- and "did not wish to rth Sea oil supplied to Africa."

Owen asked for an ce that no North Sea oil ıased to South Africa or indirectly.

ply, Lord Carrington said "in response to an h from the company we ld BP that we have no n to arrangements they whereby they would North Sea oil available in EEC or IEA markets, ange for non-embargoed ountry crude which can pplied to their South subsidiary."

Carrington's statement hat oil supplied to South under this arrangement come from countries do not operate an em- gainst South Africa but not from those, such as Iran and Nigeria, which do.

The Foreign Secretary added that the Government had "emphasised the need to ensure that BP's assurances about non-supply to Rhodesia will continue to be rigorously applied."

Dr. Owen said yesterday that he was not advocating an international oil embargo on South Africa. However, in some Government circles it was felt his non-approval of "swap arrangements" — which was never publicly announced when Labour was in office—amounted in practice to an embargo on the supply of North Sea oil.

Sue Cameron adds: British Petroleum yesterday confirmed that it had been supplying oil to South Africa under a "back-to-back deal" with a Continental oil company. But it stressed that only "a very small amount" was involved. It declined to name the company involved.

It insisted that the oil was not being sent on to Rhodesia.

It also stressed that no oil it obtained from countries that have placed an embargo on South Africa was being supplied to South Africa. Its arrangements had not meant there was less oil available for UK customers.

Quentin Peel adds from Johannesburg: South African officials do not believe that the British Government's decisions will materially improve South Africa's supply.

"There has never been an embargo by the British Government on British companies supplying oil to South Africa," a senior official said yesterday. "But there is no direct export of North Sea oil to South Africa."

Foods and printing top trade figures

BY DAVID FREUD

THE STRONGEST trading performance among British manufacturers in 1978 was in foods and drink and the paper, printing and publishing sectors, according to figures released yesterday in the official magazine Trade and Industry.

In most sectors there was little change in export sales, but a slow rise in imports. The figures compare manufacturers' export and import performance with total home demand and sales.

Food and drink imports were 16 per cent of home demand and exports in the final quarter of 1978. This compared with 18 per cent in the similar period of 1977. Exports as a percentage of the same base rose from 5 to 6 per cent.

Steep rises in imports occurred in construction equipment, office machinery, electrical machinery and wheeled tractors.

Export performance declined for mechanical handling equipment, telecommunications equipment, broadcast receiving equipment and electronic capital goods.

The export sales ratio rose for industrial engines, office machinery, electrical machinery, electronics computers and wheeled tractors.

Commons roof asbestos lining to be removed

THE HOUSE of Commons chamber will be closed for seven weeks during the summer recess while the asbestos lining is removed from the roof.

Mr. Michael Heseltine, Environment Secretary, said yesterday that although the roof had been completely re-sealed last year, it had been decided the asbestos should be removed "as soon as practicable."

Work is to begin at the start of the recess—the end of next month—and is expected to take 10 weeks.

Row over butter levy cuts

BUTTER from New Zealand, a quarter of all U.K. sales, will not be coming down 6p a lb in price on Monday in harmony with home-produced and EEC butter.

The Common Market dairy management committee failed to agree this week on the cuts in the special import levy on New Zealand butter necessary to match the new subsidy being paid on Community produce sold in Britain.

The butter trade was in uproar yesterday and Mr. Peter Walker, Minister of Agriculture, sent a telegram to Brussels, virtually instructing Mr. Finn Gundelach, Agriculture Commissioner, to set things right immediately.

Mr. Gundelach, however, has no power to intervene directly, since the control over levies lies with national governments through the dairy management committee.

The New Zealand Dairy Board predicted yesterday that all sales of Anchor brand butter would come to a standstill next week unless urgent action was taken.

Normally New Zealand butter is the cheapest to be found in the shops, but next week it will probably be the dearest.

British officials in Brussels suggested however, that the levies should be adjusted next week, restoring normal conditions.

New Zealand importers said the negotiations had been "badly handled," and the Ministry of Agriculture was shocked by the hold-up.

The obstacles that prevented agreement on the levy reduction were raised by French, Dutch, Danish and Irish delegates at the management committee meeting.

Forces' doctors' rise

Backdated pay rises worth an average of 36.5 per cent were awarded to 1,200 doctors and dentists serving in the Armed Forces yesterday in a move to raise Service pay scales level with those of civilian doctors and dentists.

Heritage pledge

An assurance that the regions will be allocated a fair share of the national heritage was given by Mr. Norman St. John-Stevas, Minister for the Arts, in the Commons yesterday.

Drug research site

Sterling-Winthrop is to site its proposed pharmaceutical research centre at Alnwick, Northumberland. The centre is expected to cost more than £5m. It is to develop and test new human medicines.

Lyceum decision

Mr. Michael Heseltine, the Environment Secretary, announced yesterday that he will decide the fate of Liverpool's early nineteenth-century Lyceum Club in a month's time.

Heseltine to judge

The application by Mr. Francis Pym, Defence Secretary, to demolish Hazells Hall, his 1660 family home at Sandy, Bedfordshire, is to be decided personally by Mr. Michael Heseltine, Environment Secretary, because of widespread concern expressed by conservationists about the loss of the building.

Anti-dumping talks

Improvements in EEC anti-dumping procedures are to be sought by Mr. John Nott, Trade Secretary, who, with Mr. Cecil Parkinson, Minister of State for Trade, is to meet top EEC officials in Brussels on July 10.

Queen opens project

The Queen fired a £7m ultra-high-energy laser yesterday to launch a new research project at the Atomic Weapons Research Establishment, Aldermaston, devised to simulate hydrogen bomb explosions on a very small scale and with no release of radioactivity.

EMI chief retires

Dr. John Powell, aged 55, has retired as vice-chairman and group technical director of EMI. Dr. Powell, as technical director, realised in 1971 the potential of the EMI X-ray scanner and turned it into one of EMI's most important but, latterly, most problematic products.

Bank information 'not passed on'

BY JAMES BARTHOLOMEW

WILLIAMS and Glyn's Bank knew of circumstances that might have enabled Northern Developments, a customer, to avoid paying out on some or all of bills of exchange worth £3m but apparently omitted to pass on that information to the company, the High Court was told yesterday.

The allegation was made by Mr. Stanley Brodie, QC, in cross-examination of Mr. Christopher Ruck, a divisional director of Williams and Glyn's who was involved in running the Northern Developments accounts at the end of 1973 and in 1974.

The bank is claiming repayment of £1.8m lent to Mr. Derek Barnes, formerly chairman of Northern Developments, to finance the purchase of shares in the company; and payment of accumulated interest.

Mr. Barnes, represented by Mr. Brodie, is counter-claiming damages of more than £30m: the value at one time of his shares. He says that actions by the bank harmed that value.

In cross-examination, Mr. Ruck agreed that he knew of links between various parties to the £3m worth of bills. Mr. Brodie suggested that that information might have enabled Northern Developments to avoid paying out on some or all of them.

The parties were Cornhill Consolidated, one of the first concerns to go under in the secondary banking crisis and which has been the subject of a department of Trade inquiry; Smith St. Aubyn and Co., the discount house; and Highcastle Securities, a small secondary bank. Cornhill and Smith St. Aubyn were both main shareholders in Highcastle.

Had Northern Developments known of the existence of those links, Mr. Brodie said, it might have been able to resist paying some or all of the bills, given that £1½m of the bills had been discounted by Cornhill "improperly."

Half of the bills were intended merely to act as security for the first £1½m and were not meant to be discounted at all.

Mr. Ruck said it had not occurred to him that Highcastle, one of the biggest holders of the bills, was a party to the improper conduct. He did not think it had occurred to him that the links between the parties might have disqualified Highcastle from claiming on the bills.

He supposed he had learnt earlier in his career, when a solicitor, that the onus could be put on the holder of bills to prove he held them in good faith. But that point was not in his mind at the time in question.

The case, before Mr. Justice Gibson, continues.

EEC advertising draft worries drug makers

BY PAUL TAYLOR

PHARMACEUTICAL companies supplying Britain's £250m market for medicines sold over the counter are increasingly concerned about the implications of an EEC draft directive on advertising non-prescriptive medicines.

The draft directive, unpublished so far, is an attempt to harmonise the rules covering advertising of proprietary medicines throughtout EEC member states.

However, UK manufacturers, members of the Proprietary Association of Great Britain, maintain that the directive is ill-conceived, unnecessary, would be retrogressive, and would push up the price of such medicines while increasing the risk of confusing customers.

The directive has been in preparation since 1965 and, because of concern expressed by most member states over the latest draft, is not likely to be placed before the Council of Ministers before September.

The current draft proposals would include requirements that any communication related to the products, including price lists, should carry detailed information about the product; that offers of samples to clients should be limted; that advertising in certain product categories should be banned; and that a new committee should be set up to regulate advertising of medicines further.

The association maintains that the directive is based on incorrect assumptions and fails to recognise the effect of regulations an dcodes of conduct in operation.

It gives a warning that the requirements, if introduced, would increase the price of medicines over the counter because of "time-wasting" additional information that would have to be supplied in addition to information already on the product.

The association adds that the requirement that all advertisements should contain detailed information would erode the importance of information already on the label and might confuse customers, perhaps dangerously.

The directive is seen as an attempt to appease the consumerist lobby "at all costs." The association says that advertising of proprietary medicines is better controlled by codes of practice rather than by laws.

In addition, the manufacturers believe that a simple message contained in all advertisements such as "always read the label" would be more effective than the complex advertising requirements suggested by the commission.

Vietnamese refugees for London

By Paul Taylor

THE GREATER London Council is planning to provide up to 400 homes for refugee families from Vietnam.

The proposal follows a request for help from the Home Office to local authorities.

Mr. George Tremlett, leader of the council's housing policy committtee, which will consider the proposal on July 9, said yesterday that although the GLC had heavy commitments he felt it was "only right that we should give some help to these unfortunate people."

The allocation for the refugees will not significantly affect London housing. The GLC, which manages about 250,000 council homes, allocates annually about 14,000 houses to tenants nominated by the London boroughs. The number of homeless in London is estimated at about 14,000, although about 200,000 are listed as being in "housing need."

Mr. Tremlett said the GLC would try to group some of the families together "in certain areas" to provide mutual support.

Princess to tour U.S.

PRINCESS MARGARET will tour the U.S. from October 11 to 25 in connection with the Royal Opera House development programme appeal.

Speaker criticises 'gross interference'

BY IVOR OWEN, PARLIAMENTARY STAFF

A Labour MP's behaviour when an important vote took place in the Commons on Thursday night was described as "a gross interference" with democratic procedures by the Speaker, Mr. George Thomas, yesterday.

His strictures followed a procedural battle between Conservative and Labour MPs over an attempt to impose new restrictions on protest marches in the West Midlands.

Delays in two earlier divisions on Thursday resulted in insufficient time for a vote on a motion to reintroduce a clause in the West Midlands County Council Bill, requiring procession organisers to give three days' notice to the police and the local authority.

This proposal, designed to give greater protection for people living on the demonstration route and for their property, had the support of the Government. In accordance with usual practice on Private Bills, responsibility for getting the clause through was left with its sponsor, Mrs. Jill Knight (Con., Edgbaston).

She complained of "undue delay" in the conduct of the division which had to be completed before her clause could be put to the vote, and the Speaker called for a report from Commander D. Swanston, Deputy Sergeant at Arms.

Referring to this report yesterday Mr. Thomas said "I am told that there was an honourable member holding up a paper with the words 'stay here' written on it." After describing this as a "gross interference" with the democratic procedures of the House, he said he would have "named"—in effect suspended—the MP concerned, had he known of the incident at the time.

Mr. Jeff Rooker (Lab., Birmingham Perry Barr), newly promoted to the Opposition front bench as a Health and Social Security spokesman, admitted he had held up the piece of paper in the division lobby.

But the words on it, he said, were "Please stay here—at least two more divisions." This had been intended as a reminder to MPs not to leave the building after having voted only once.

Quick decision ruled out on inner-city ventures

BY PAUL TAYLOR

QUICK DECISIONS on the future of the seven inner-city partnerships, set up by the past Government, have been ruled out by Mr. Michael Heseltine, Environment Secretary.

The Goverment has confirmed a £4.1m cut in the funds allocated to six of the partnership areas in 1979-80 together with a £3.5m cut in the £70m guarantee, loans and grants package provided for London's docklands following the Government's decision in February not to back the Trammel Crow trade mart complex.

Mr. Heseltine and other Ministers in the Environment Department have now started visiting the seven partnership areas as part of a review of inner-city policies.

While the department stresses that no decisions have been taken on the future ofthe partnership areas—a key element in the previous Government's approach to the problem of the inner city areas—Mr. Heseltine is thought to be considering whether the partnership arrangement is the most efficient way of channeling additional funds into these areas.

With the review only just started, he appears to be considering several options including slimming the partnership bureaucracy or funding inner-city projects in an entirely different way—perhaps through the rate support grant.

Yesterday Mr. Heseltine was visiting Liverpool, one of the partnership areas made it clear that no decision of the future of the partnership will be taken for at least a month.

Regional policy hint by Joseph

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

RONG indication that nment regional aid will ue to protect the areas itain worst hit by ex- shipyard closures and industrial decline, was yesterday by Sir Keith , Industry Secretary.

warned that the worsen- ate of the international uilding industry would that "only the most able yards can be kept ". But the Government planned to keep yards for building merchant and warships and for ship repairing.

During a two-day tour of Tyneside and Teesside, Sir Keith stressed that the Government would maintain a regional policy, even though it planned to announce regional aid cuts soon.

"We are committed to keeping a regional policy, but we want to make it more effective in its primary purpose of helping the worst-hit areas, while at the same time cutting costs," he said.

This suggests that the Government will reduce public spending by cutting back on some of the less needy assisted areas, and perhaps by raising the minimum size of projects qualifying for automatic aid.

An announcement is expected in the next few weeks.

Sir Keith said the Government would take into account "unfair competition" by other countries for international shipbuilding orders when assessing the viability of individual UK yards.

Tri-ang Toys to employ 70

BY MAURICE SAMUELSON

MORRIS VULCAN, the Midlands toy and leisure group, is to increase its production of tricycles and other wheeled products following its rescue of the Tri-ang Pedigree toy company, in a joint £1m package with the Welsh Development Agency.

Morris Vulcan, Europe's biggest manufacturer of roller skates, had already been moving into traditional Tri-ang lines even before helping to have the Merthyr Tydfil-based company in a reduced form. This involvement will now be increased.

Mr. Derek Morris, managing director, said yesterday that Morris Vulcan exported around half of its sales. The Tri-ang name would further enhance its export performance.

The decision to continue part of the Tri-ang operation in South Wales was confirmed yesterday after negotiations were interrupted on Monday as Morris Vulcan awaited details of a revised offer by the Welsh Development Agency. The deal is now complete, subject to contract.

Morris Vulcan and the agency are each raising £½m for the project, assisted by a further £60,000 from the agency by an interest relief Government grant.

It will provide 70 jobs compared with 300 previously employed at the Merthyr Tydfil plant. The new company will trade as Tri-ang Toys, under the chairmanship of Mr. Charles Cooper, Morris Vulcan chairman. An announcement is expected shortly on which Tri-ang lines will be continued.

Tri-ang Pedigree Toys ceased trading late last year after the Government decided to give it no more assistance. In the previous three years, this had totalled almost £4m.

Morris Vulcan also produces toy guns, punch balls and skipping ropes. Previously a subsidiary of Mettoy, it was bought by Mr. Derek Morris nine years ago.

UK NEWS

● NEWS ANALYSIS—BANK MERGERS

Midland rounds off U.S. acquisitions

BY STEWART FLEMING AND MICHAEL LAFFERTY

MIDLAND BANK'S proposed £240m ($520m) acquisition of the Walter E. Heller International financial conglomerate rounds off a series of U.S. acquisitions by the big British banks.

A Midland move to buy into the U.S. has been the most talked of topic in British banking for the past six months at least. Midland made no effort to discourage the rumours, freely admitting that it had a gap in its international earnings spread.

The question that kept cropping up—and is still unanswered—was how Midland could buy a big U.S. banking concern without running into difficulties with its stakes in Standard Chartered Bank, where it has 16 per cent of the equity, and the European American Banking Group, owner of Franklin National, where its holding is 20 per cent.

In pre-tax profits Midland ranked third of the Big Four London clearing banks last year reporting £231m. Its business profile extends beyond traditional banking into a finance house, factoring, the Thomas Cook financial travel services business, and the Samuel Montague merchant bank. To some extent, therefore, the Heller deal complements Midland activities.

Up to now Midland's main exposure in the U.S. has been through the stake in European American, a unique U.S. retail consortium owned by five other big European banks. It was formed from the more acceptable parts of the now defunct Franklin National Bank and an existing small wholesale operation. This investment was based on the consortium approach to international banking, of which Midland has remained the most committed of the big British concerns.

It has been known for some time that Midland has been reappraising the consortium strategy. The weakness of the European-American approach in the U.S. has already been demonstrated by the decision of Deutsche Bank, one of Midland's partners, to open its own full service branch in New York in competition with European American.

Unique

Nevertheless it is fair to say that Midland Bank has selected a unique path for its U.S. expansion, not just in terms of the amount of money it is planning to spend—it is the biggest proposed foreign bank acquisition so far—but also in terms of the type of company it seeks to acquire.

Most foreign banks expanding in the U.S. have followed what might be termed a traditional strategy, the establishment of branches or agencies or the purchase of a U.S. bank. Midland is planning to buy a company whose main business has been asset-based financing—lending to companies against security—and which moved into the banking business only in 1973 through the acquisition of American National Bank and Trust, the fifth largest bank in Chicago.

The fact that Walter E. Heller is a bank holding company as a consequence of its purchase of American National Bank and Trust does mean, however, that the deal will have to be approved by the bank regulators, notably the Federal Reserve Board in Washington, with whom Midland has yet to open discussions.

Midland, naturally enough, is putting a brave face on this, at least in so far as the implications for its existing U.S. banking interests—the stake in Standard Chartered and European American Bank—are concerned. Clearly there is no point in Midland going into negotiations by offering to surrender interests before the participants sit down.

The fact remains, however, that legally Midland could be declared a controller of both Standard Chartered and EAB. Its shareholdings lie in the grey area of between 5 and 25 per cent shareholding, which gives the regulators discretion in deciding whether the holding is a controlling stake.

Midland's best hope is that it will be able to hang on to the EAB interest, perhaps arguing that there are other big shareholders and therefore its stake is not a controlling one.

Concern

Whether or not it is required to divest itself of one or both of these investments could depend as much on the political as the legal climate in the U.S. Once again there are signs in Washington of growing concern about the wave of foreign bank expansion and Senator John Heinz has proposed a Congressional resolution requiring the bank regulators to investigate foreign bank expansion and establishing a moratorium on foreign bank bids for six months.

The resolution is apparently unlikely to pass Congress this session, inded it may never pass. But, with the furore in New York over the Hongkong and Shanghai-Marine Midland deal, it is evidence of the critical climate surounding foreign banks and the "privileges" some still feel they have.

Congressional hearings in Washington on July 16 will raise these and other international banking issues.

The heavy commercial (as opposed to consumer) orientation of this business must be attractive to Midland, which has a similar leaning. But more important, Heller has 52 offices in 35 big U.S. cities. Thus it is well placed for a nationwide expansion of finance and banking, which the largest U.S. banks are aiming at in order to escape the legal straitjacket which prevents them from having deposit-taking branches outside one state in most cases.

FT CONFERENCE—DOMESTIC BANKING

UK branches face streamlining

FINANCIAL TIMES REPORTER

NEW TECHNOLOGY in banking will possibly bring to an end the branch network system in the UK by the turn of the century, Mr. Roy Vine, senior general manager of Barclays Bank, said yesterday.

Although Britain was lagging behind many developed countries in the elimination of cash, the installation of automatic teller machines (ATMs) was speeding up UK branch rationalisation, he said at a Financial Times conference on Domestic Banking in London.

"In Barclays we expect to have some 200 ATMs installed through-the-wall in branches by the end of next year, operating 24 hours a day, seven days a week, and by that time handling perhaps 15 per cent of the cash withdrawals made by our customers," said Mr. Vine.

New technology would considerably alleviate one of Barclays' most costly problems. This was the need to change premises as business expanded and counter systems became overburdened.

By the turn of the century, Mr. Vine said, Barclays could have 50 very large branches and 200 large branches. Customers would use plastic cards through ATMs in shops. About 1,500 small money shops would supplement the ATMs with a further 500 service branches.

Branch rationalisation had come under close scrutiny after the 1974 inflation jump when the number of branches showing losses exceeded the normal 5 per cent.

"This brought home strongly to us that the traditional branch network which had grown up in haphazard fashion over the years needed a thorough examination to determine how it should be shaped for the 1980s and 1990s," said Mr. Vine.

Mr. Enrique Mas Montanes, director general of the Banco de Bilbao, said most European banks in the last 20 years had not shown a lack of confidence in the traditional branch network.

Since Franco's death in 1974, the number of banks in Spain had expanded considerably. "For over 30 years, Spanish banks could not follow any real location strategy related to the extremely important changes in population and income."

There had been a pent-up demand which had subsequently been affected by a mass migration to cities.

Mr. Mas Montanes said a branch location strategy was vital. "The basic factors, population, income, competition, will have to be complemented with new factors such as quality, changing habits and assets, behaviour of the customers," he said.

Other speakers included Mr. M. R. Denton, director and general manager of National Westminster Bank's domestic banking division; Mr. Josef Leis, senior vice-president of Westdeutsche Landesbank Girozentrale; Mr. A. Alessandrini, managing director of the Banco di Roma; Mr. Rudolf Wirmer, director of Deutsche Genossenschaftsbank, Frankfurt; Mr. R. J. Pilgrim, managing director, Chubb Security Services and Mr. A. L. Kingshott, director of Lloyds Bank International, merchant banking division.

LABOUR

Postal engineers defer industrial action

BY PHILIP BASSETT AND JOHN LLOYD

POST OFFICE engineers yesterday postponed industrial action over pay which was due to begin tomorrow over their 25 per cent pay claim.

The executive of the 124,000-strong Post Office Engineering Union decided not to take action "at this stage" after union negotiators told it they were making progress in talks with the Post Office. Further talks are expected next week.

The union had warned that it would take action, including an overtime ban and selective strikes, which could black out television programmes and delay telephone repairs and installations if its claim was not met.

It has rejected a pay offer of 9 per cent with further rises of 3½-7 per cent for grade restructuring. Negotiators will press next week for increases in the 9 per cent offer. The union maintains that any plans for grade restructuring will have to be approved b ya special conference in November.

Mr. Tom Jackson, general secretary of the Union of Post Office Workers, said yesterday that the post "could face the worst summer ever" unless major agreements are reached between the union and the corporation.

Warning

Mr. Jackson, who said "I have never seen the Post Office in such a condition in the 40 years I've been in it," listed three elements essential to bring the corporation back to efficiency:

● Consolidation of allowances and overtime rates which would help particularly to raise the take-home pay of postmen higher grade—who sort the mail—a sector where shortages are particularly acute.

● A second increase this year of around 7 per cent to bring postmen up to the "going rate." They settled for 10 per cent earlier this year on the understanding that a further rise could be negotiated, once it was clear what other corporation staff would receive.

● A commitment from the Post Office to move as soon as possible to a five-day week for postmen. At present, they work a six-day week on deliveries.

The Post Office said last night that it would make "an all-out assault" on the backlog of 40m letters—20m of them in London—which await sorting.

It sees considerable easing in the pressure, continuing a trend reported yesterday. About the normal proportion—more than 90 per cent—of first class letters were now being delivered on the next working day, though delays of up to one week still existed on the second class service.

Bulk mail users are still advised to consult their head postmasters before planning a large-scale delivery.

Bank award irks staff

BY NICK GARNETT, LABOUR STAFF

A PAY OFFER which union negotiators rejected will nevertheless be applied by Barclays Bank to its 55,000 clerical staff. The other four clearing banks, which have had the same offer rejected, are considering following suit. A settlement for the 200,000 clearing bank staff was due this weekend.

The executive of the Banking, Insurance and Finance Union has authorised one-day strikes by Midland Bank computer staff over a previous offer and is balloting members in five areas on whether they wish to join the action.

The union is also conducting a survey of its members in the five clearing banks on whether they want to accept the offer and on industrial action if they do not.

Mr. David Dines, the union's assistant secretary, said the union was "not prepared to accept a non-negotiated pay settlement."

Mr. Eddie Gale, general secretary of the Barclays Group Staff Association, the biggest staff body in Barclays, described the bank's action as "arrogant presumption."

The association's general committee will meet on July 9 to consider what action it can take. In the meantime the association is taking the salary rises as a step towards a full settlement.

The banks say they have made their final offer. Barclays said yesterday that it was prepared to continue discussions with the staff bodies but would not expect these to change the basic elements of the offer. It recognised, it said, that staff did not want their scheduled pay rises delayed.

Changes in the settlement may be affected by arbitration findings in the case of Lloyds Bank managers and conciliation, due next week, for Midland computer staff.

The bank's offers involve about 12 per cent new money, consolidation — worth 1.5 per cent — of a 5 per cent productivity deal, improved London supplements worth another 1.5 per cent on the overall salary bill, and two extra day's holiday.

Chrysler assembly workers strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MORE THAN 2,000 Chrysler UK workers walked out on indefinite strike last night in the face of another warning from the company that the effects would be "extremely damaging."

The men, at the Ryton assembly factory, Coventry, are protesting at the annual pay offer that according to the company would add 13 per cent to the wage bill. The 3,000 workers at the nearby Stoke engine plant, Coventry, are expected to take similar action on Tuesday.

In a last-minute appeal, the company said that under the proposed deal pay rates for production workers would be better than those offered by Ford, Vauxhall and BL Cars.

Chrysler had lost £130m in the last five years, was expected to lose £30m this year, and could not afford to add to the proposed increase in basic wages. The way to higher earnings, according to the company, is through an incentive scheme which management is prepared to discuss with the unions.

Chrysler UK, which was taken over at the beginning of this year by PSA Peugeot-Citroen, has already said industrial action would almost certainly mark the start of a run-down in the company's size.

REACTIONS TO OIL PRICE INCREASES

BNOC contracts safeguard supplies

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE British National Oil Corporation is nearly doubling the proportion of oil under its direct control which it steers to UK refineries.

Lord Kearton, chairman, said yesterday that at the end of last year only 28 per cent of the corporation's North Sea crude was being placed in Britain. But in response to the cut in world oil production, this figure had been increased to 43 per cent for the first half of 1979 and would rise to 50 per cent for the rest of the year.

The corporation could do this because it had rejected the advice given by private oil companies to the Government last November that it was safe for BNOC to enter into two-year export contracts.

Anticipated

The corporation, however, in anticipation of oil supply problems, had negotiated one-year contracts with break clauses.

"Without BNOC there would have been no dependability of supply in Britain this year," Lord Kearton said. "We have put a very considerable amount of available oil into this country."

He said that if OPEC production remained steady, there was no reason for oil shortages in the UK for the rest of 1979. Consumption was likely to fall because of prices, and the stockbuilding which had been going on in Britain and Europe would come to an end.

Later this year, because of increased production from the Ninian Field, BNOC would have more oil under its direct control. The 360,000 barrels a day handled so far this year would rise to 550-600,000 in the next six months.

This was apart from the 1m barrels a day over which the corporation had some influence under participation agreements with oil companies.

£3bn turnover

Higher prices—and North Sea crude would be selling at the top end of the OPEC price range—would increase BNOC's turnover. It had been passing £223m through its books in May, and £250m in June, but expected the average for the rest of the year to be £300m a month. Total turnover of the corporation for the year would be £3bn.

Lord Kearton said the corporation had told the Government it expected to be making profits of hundreds of millions in the mid-1980s; but these estimates would have to be revised upwards because of recent price rises.

British Rail surcharges up to £8 for Sealink

By Lynton McLain

BRITISH RAIL Sealink UK was one of the first shipping companies to raise its prices following the OPEC settlement. It announced yesterday fuel surcharges of up to £8 for North Sea and English Channel sailings.

The surcharge will apply to accompanied cars, motorised vans and trailers from July combinations and towed caracaravans and trailers from July 7. Travellers who have already paid their fares will be exempt.

Sealink UK said there would be no surcharge for passengers or motorists, coaches, motorcycles or for trailers under nine feet.

There will be a £4 fuel surcharge for return services from Dover or Folkestone to Boulogne, Calais, Dunkerque and Ostend. The surcharge would be £8 return from Harwich to the Hook of Holland and from Weymouth to Cherbourg and £6 return from Newhaven to Dieppe.

Relief

said last night that the OPEC price increases had not been as "shattering as had been expected."

The brokers said the rises would not damage demand for tankers in the short term. Oil companies were still intent on re-stocking depleted supplies.

There had already been an "explosion" in demand for large oil tankers this week as attempts were made to ship as much oil as possible ahead of the OPEC decisions.

In the medium term, however, as the industrialised nations start cutting back demand for oil, demand for tankers is expected to fall. This would hit tanker owners who are now only just breaking even in the face of the £70 a ton price paid for ship bunker fuel.

Naphtha contract rates likely to rise by 16%

BY SUE CAMERON, CHEMICALS CORRESPONDENT

CONTRACT PRICES for naphtha, a vital raw material for the petrochemical industry, are expected to rise by around 16 per cent in the wake of the latest oil price increases from the Organisation of Petroleum Exporting Countries.

Major chemical companies reckon the naphtha contract price will go from its present level of $235-$240 a tonne to between $275 and $280 a tonne during the third quarter of the year. An increase of this order will reflect not only the new OPEC oil price rises but also the higher naphtha spot market prices which have been seen over the last two months.

Most of the big chemical groups believe the OPEC oil rises will have only a small impact on naphtha costs compared to other oil products. The main reason for this is that naphtha prices on the spot market have soared over the past six weeks. They have risen much more sharply than oil prices, reaching $330 a tonne.

But they are now in line with petrol prices—naphtha is used to make petrol as well as petrochemicals—after a long period of being cheaper. It costs about $30 a tonne more to produce petrol than the straight naphtha from which it is made but the world ail shortage has pushed up demand—and the price—of naphtha.

Plateau

Companies such as BP Chemicals, Shell Chemicals and Imperial Chemical Industries are hoping that naphtha prices have therefore reached something of a plateau. They reckon that although contract prices will continue to rise, the increases will not be nearly so dramatic as those of the last nine months.

ICI said yesterday that if Saudi Arabia increases her oil production, the price of naphtha on the spot market may actually fall because more supplies will be available. Other chemical groups said naphtha supplies were likely to remain tight in the short and medium term because any cuts in the consumption of oil-based products—whether brought about by a recession or by voluntary conservation—would affect the heavier end of the barrel. Naphtha is made from the light end of the oil barrel.

A cut in industry's use of oil would probably mean a lowering of demand for products like fuel oil. Demand for naphtha—and petrol—would be likely to remain high.

The increases in naphtha contract prices will push up the prices of plastics and other petrochemicals.

Percentage increases since 1970 in the prices of crude oil and a chain of products made from it.

	Crude oil %	Naphtha %	Ethylene %	LDPE %	LDPE bags %
1974	700	450	210	60	20
1976	800	750	400	100	40
1978	900	1,000	550	200	75

LDPE—Low Density Polyethylene

Energy costs stay in retail index

BY DAVID FREUD

THE Prime Minister's office yesterday denied reports from Tokyo that there were plans to exclude energy costs from the Retail Price Index.

The reports had suggested that Mrs. Thatcher—who had been attending the Tokyo economic summit—would like to see the energy element taken out of the index to make it easier to persuade people to accept lower living standards after the latest rise in world oil prices.

Her office said there was no intention of changing or stopping publishing the index in its present form. Nor was there any intention of changing the formula under which pensions and benefits were paid.

The reports had already raised a storm of protest both within Parliament and outside it. The idea was attacked by Age Concern, the National Association of Old Age Pensioners Associations and the Trades Union Congress.

In the Commons Mr. Stan Orme, shadow Social Services Secretary, described the reported intention as "extraordinary."

Hope of early ruling on Civil Service dispersal

BY PHILIP BASSETT, LABOUR STAFF

MR JAMES PRIOR, Employment Secretary, told Civil Service unions yesterday that he would press for an early announcement on the Government's decision about the future of its dispersal programme, involving about 30,000 Civil Servants.

As part of its Civil Service cost-cutting programme the Government is conducting a wide-ranging review of its dispersal plans, which were designed to move Civil Service jobs from London. Plans have been frozen until the review is completed.

The Government's decision was expected at the end of July, but Mr. Prior yesterday told representatives from four Civil Service unions, who were protesting particularly on behalf of staff due to be transferred to the Manpower Services Commission in Sheffield, that he would press the Cabinet to announce the decision by the middle of July.

Magistrates' court staff in Inner London, members of the Society of Civil and Public Servants, yesterday voted overwhelmingly to strike if pay negotiations broke down.

The union said it would put the case of the 80 staff, whose settlement date is July 1, to the staff sub-committee of the Committee of Magistrates, which fixes court staffs' pay, subject to Home Office confirmation.

The union is trying to restore links with Civil Service pay levels held by the court staff before 1965.

British Airways 5% cut

BY LYNTON McLAIN

BRITISH AIRWAYS is to cut its fuel consumption by 5 per cent from November after a request from the Trade Department. The cut is expected to have an immediate impact on services, particularly in Europe, where the state-owned airline uses mainly ageing and fuel-inefficient Trident airliners.

However, the airline will benefit early next year from the phased introduction of the more fuel-efficient Boeing 737 aircraft, which will gradually replace the Trident fleet.

The 5 per cent cut in fuel will not affect all British Airways services. Many of the overseas routes produce high revenues from high fares on wide-bodied fuel-efficient aircraft.

Options to be considered for implementing the 5 per cent cut includes changes in refuelling stops in the light of new fuel policies overseas and possible changes to flight plans. Pilots may be instructed to reduce cruising speeds.

Road haulage costs may go up 3%

BY LYNTON McLAIN

OPERATING costs of road haulage companies are expected to rise by up to 3 per cent as a direct result of the oil price rises.

The Road Haulage Association said last night that operating costs, taking account of the Budget tax changes, had already risen by 6 per cent to 8 per cent this year.

Hauliers were able to buy diesel fuel in bulk at the beginning of the year for an average of 62p a gallon. This had risen to as much as 84p a gallon immediately before the Budget when the price rose to an average of 91p a gallon. The new price is expected to be over £1 a gallon for diesel.

The increases so far have been passed on in higher direct freight rates or in the form of fuel surcharges. But Price Commission inquiry into hauliers' prices, earlier this year, said there was scope for improvement in operating efficiency, and many hauliers may now be forced into buying larger, more fuel-efficient lorries.

Owen warns on pace of nuclear power plans

BY JOHN LLOYD

A WARNING that the Government may be accelerating Britain's nuclear programme too rapidly came yesterday from Dr. David Owen, the Shadow Energy Secretary.

At the same time, Sir Derek Ezra, chairman of the National Coal Board, said that because of falling oil supplies coal production needed to be stepped up.

Speaking at the conference of National Association of Colliery Overmen, Deputies and Shotfirers in Llandudno, Dr. Owen said that oil supply difficulties made a need for "dramatic change" look tempting.

The previous Government had managed to keep public opinion in favour of nuclear development and too rapid movement might alienate that opinion.

"You only have to look at the storm of protest at the introduction of nuclear power in other countries to realise that people have legitimate anxieties and fears," he said.

The Prime Minister has several times made clear her support for a strong nuclear programme.

Sir Derek told the conference that markets for coal would expand from 115m tonnes last year to 125m tonnes this year. The industry was on target to supply the country's power stations with 83m tonnes of coal.

Labour Party workers strike

A STRIKE by Labour party workers at Transport House yesterday brought the party's London headquarters to a virtual standstill. About 100 staff walked out o ver a pay dispute.

All administrative, clerical and research work stopped. Mr. Nick Sigler, one of the strikers said. "No paperwork will be done for the next NEC meeting on Thursday," he added. Labour party officials could not be reached for comment.

Hunterston unions fail to settle differences

TALKS AIMED at ending an inter-union dispute which has paralysed the £100m Hunterston iron ore terminal in Ayreshire failed to reach a settlement yesterday.

After a meeting at the Scottish TUC headquarters in Glasgow, both sides agreed to refer the dispute back to their head offices. They will also ask Mr. Len Murray, TUC general secretary, to seek a meeting with the employers, the British Steel Corporation.

The dispute is between the Transport and General Workers' Union and the Iron and Steel Trades' Confederation. The TGWU claims that its docker members should have the 50 jobs at the terminal. But the ISTC claims it has a prior agreement with the BSC entitling its members to the jobs.

No ships have been able to dock at the terminal since it was opened by the Queen Mother four weeks ago. It is estimated the dispute has already cost the BSC millions of pounds.

HE WEEK IN THE MARKETS

)PEC passes round the hat

week has been dominated . oil sheikhs in Geneva. rice rises they determined mething of a compromise n the worst fears and t hopes of the equity t, which has had to con- ith a continuing appreci- of sterling. On Wednes- e FT 30-Share Index fell four-month low of 466.9, er cent before the peak mmediately after the l Election.

e then, though, equities nanaged to gain a little t from developments in t-edged market. Although market interest rates very high, investors to nibble at the two paid tap stocks on Thurs- d yesterday morning the n-dated issue, Treasury cent 1984, was quickly ted.

y demand was also seen long-dated stock, as the seemed to be looking . the credit squeeze to tractions fixed interest vould have if the economy and the OPEC cash sur- are attracted into the g markets. After the tock was sold out, the lost their momentum, but vernment Broker did not things by announcing r stock.

: four years of lack- growth, Plessey appears taking the bit between th. In recent years the y has been spending less its replacement cost ation charge, on new ssets, but in the current it is committing itself tal expenditure of more 0m.

expanded budget, which es with £28m for , has been struck at a vhen the prospects look promising than for a r of years. Of the £3.37m advance for 1978/9, came in the final and there is scope for npany to be able to trim e hefty losses at Edge nd Garrard.

ly, the sale of the ICL has been a major behind the company's n to embark on its ever investment pro- e. After the receipt of there is an overall of £22.5m in net ings but there is still a for an improvement in w to pay for the higher g and finance the extra g capital for the £817m ook.

sey calculates that it will to pay for all this out of the higher profits expected this year. To do so, it may have to turn in around £55m pre-tax, an increase of just under a fifth, or more.

The betting is that Plessey will make it by a short head—but it will need to improve its margins to near pre-1975 levels. If not, the company may have to resort to a rights issue. The last time it did so was in December 1975 when shareholders were asked to put up more than £28m.

BAT interims

The share price of BAT Industries has been performing dismally for longer than its shareholders care to remember. It may be time for a reassessment, even though there are obvious problems. The interim figures this week showed that its tobacco interests, which account for three fifths of profits, are heading for yet another year of very modest growth. *They also showed* the extent to which BAT is suffering from the effects of the rise in sterling. And Thursday's news that International Stores, BAT's *troubled food retailing* subsidiary, is thinking about buying the Mac Market chain from Unilever is unlikely to be greeted with cheers. Both *businesses* are *struggling* to establish a profitable niche on the high street.

Despite all this, the interim figures are a reminder that BAT also has enormous strengths. Its share of the world's cigarette market is still rising, with overall volume increasing by about 4 or 5 per cent a year. It is very well established in a number of rapidly expanding countries, in South America for instance. And although the rise of sterling means that its overseas profits are being converted into fewer pounds, it does not threaten the underlying viability of the business, as is the case with a number of predominantly UK-based *manufacturers.*

Finally, BAT has very substantial dividend paying potential. Despite its mixed acquisition record, the balance sheet *remains as strong as a* rock. The underlying trend in profits is sound, even though in sterling terms profits growth this year may be quite modest. And the group has promised to increase its dividend by at least 16½ per cent this year, a payment which would be covered nearly four times. On that basis, a dividend yield of nearly 9 per cent has its attractions.

LONDON

ONLOOKER

Building profits

Producers of building materials are having a difficult time. Behind them lie supplies lost through strikes and sales figures damaged by the weather, while the future offers a low level of construction activity in almost all areas.

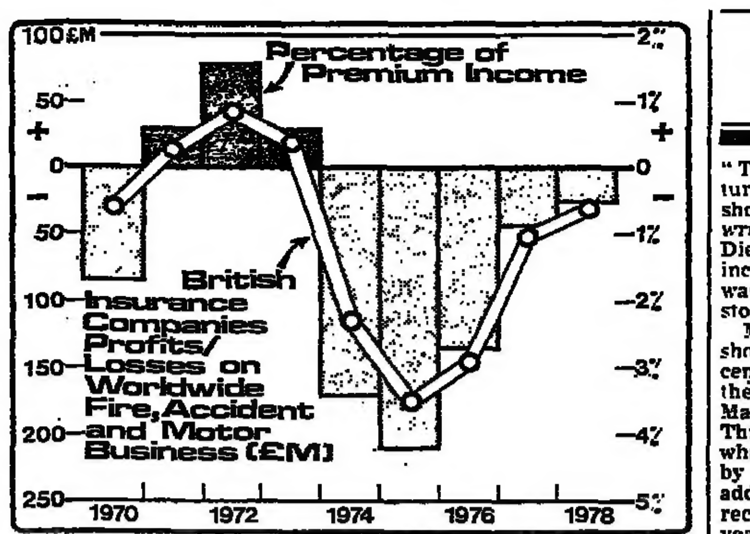
Two companies which have developed some insulation from *tihs depressing environment* announced results last week. BPB did better than expected with a 30 per cent pre-tax profits rise to £35.4m, and Redland *gained 13 per cent to £45.2m, in* line with most forecasts.

The strengths of the two groups are not hard to locate. BPB has a stranglehold on the UK plaster-board market and its products are generally better suited to the booming improvement market than to construction. Since much of its production is used indoors it is also less vulnerable to the elements than many other companies in the sector—as its *second half performance shows.*

Redland is much more exposed to stagnation in the UK construction industry but it has a valuable insurance policy in its overseas operations. The UK accounts for less than 40 per cent of group profits and this should diminish further after recent U.S. acquisitions.

It is particularly well represented in Germany, through a holding in Braas and Co, and the immediate future here is rosier than in the UK.

BPB pre-tax earnings have grown faster than those of any other group in the sector over the past six years (and twice as fast as Redland's) but its vulnerability to a down-turn in the UK improvement market makes prospects look a little shaky. There is little sign of this at present, however, and a dividend cover of over four times on reported earnings offers scope for an improving yield. The share price as risen 20p *since the figures* but, on a stated p/e of around five, it does not yet look expensive. Redland may have a sounder growth base but this is fully discounted in the rating.



Feast to famine

Figures published by the British Insurance Association this week marked what is likely to be the high point in the inexorable cycle that seems to govern underwriting profits. For as long as most people can remember, the business has moved from feast to famine and back again in regular patterns lasting five or six years. It seems almost certain that profit ability is now on the downward slope, heading towards a trough a couple of years hence.

However the companies have been able to use the recent upswing in profits to rebuild their balance sheets through a high level of retentions and a series of right issues. And most of them expect that the coming downswing in the cycle will not be as painful as the last one, in *the mid-1970s.*

With investment income continuing to rise, brokers Rowe and Pitman are forecasting that combined pre-tax profits of the seven big composite insurance companies should rise by nearly a tenth this year. Dividends should at least keep pace, since the big seven's dividends are covered three times by attributable profits.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MAY 31

	% Change
Oils	+ 8.4
Discount Houses	+ 5.2
Overseas Traders	− 3.3
Wines and Spirits	− 3.4
Tobaccos	− 3.5
Food Retailing	− 3.9

THE WORST PERFORMERS

All-Share Index	− 5.4
Insurance (Composite)	−11.1
Packaging and Paper	−11.8
Contracting, Construction	−12.1
Insurance Brokers	−13.0
Mining Finance	−13.8
Hire Purchase	−18.7

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	473.4	− 2.6	558.6	446.1	Rally in the wake of gilts
Govt. Secs. Index	71.09	+ 0.49	75.91	64.64	Big demand exhausts medium 'tap'
Gold Mines Index	167.8	−17.6	208.4	129.9	Lower bullion price
BATs Defd.	258	+13	337	242	Higher interim dividend
BPB	306	+22	344	232	Impressive annual profits
Bond St. Fabrics	33	− 7	50½	32½	First-half loss
BP	1245	+35	1295	882	Prospect of increased earnings
Brown and Jackson	255	−13	275	44	Profit-taking after recent strength
Burton A	262	+24	332	167	Renewed enfranchisement hopes
Chubb	141	−13	176	139	Disappointing annual profits
Furness Withy	282	−14	308	218	KCA/Eurocan proposals defeated
Parker Timber	173	+20	175	124	Vague bid rumours
Renold	104	+ 5	122	97	Better-than-expected results
Rivington Reed	37	− 7	72	37	Interim profits setback
Rustenburg	118	−21	177	94	Fall in " free " platinum price
Trident TV A	63½	+ 5½	69½	50½	Increased interim dividend & profits
UBM	65	− 7½	83	65	Proposed rights issue
Unilever.	592	+15	680	520	Dividend backlog to be paid
Vlakfontein	76	+ 4	90	39	Rumoured deal over waste dumps
Wellman Eng.	68	+13	75	44	Bid from Redman Heenan

U.K. INDICES

Average week to	June 29	June 22	June 15
FINANCIAL TIMES			
Govt. Secs.	70.68	70.72	71.51
Fixed Interest	72.36	72.59	73.29
Indust. Ord.	471.6	481.1	489.4
Gold Mines	176.7	186.3	187.3
Do. (Ex $ pm)	158.7	163.0	161.3
T'tl. bargains	16,055	15,008	19,045
FT ACTUARIES			
Capital Gds.	241.42	246.23	254.10
Consumer (Durable)	229.13	232.24	236.32
Cons. (Non-Durable)	232.97	236.43	238.36
Inds. Group	234.29	238.05	242.21
500-Share	271.35	271.95	275.61
Financial Gp.	186.94	190.91	193.65
All-Share	247.45	249.30	253.09
Red. Debs.	56.98	57.51	58.92

NEW YORK

JOHN WYLES

"TO BE buried in lava and not turn a hair, it is then a man shows what stuff he is made of," *wrote Samuel Beckett in Malone* Dies. This and other Becketry, including "Waiting for OPEC" was brought to mind by the stock market this week.

Metal has undoubtedly been shown in the face of 13.2 per cent annual rate of increase in the Consumer Price Index for May and an OPEC oil price rise. This was broadly in line with what the market was expecting by Wednesday evening, but, added to increases already on record since the start of the year will add 1 per centage point to the U.. inflation rate this year and next and subtract a similar point from real economic growth.

In fact, it will be a miracle *if there is any growth at all.* A confidential Commerce Department memorandum leaked to the New York Times on Tuesday, is predicting 2.4 per *cent decline in economic activity* in the current quarter which, if it proves true, suggests that the U.S. already has one foot in the recessionary swamp.

None of these developments, actual or projected, not even the roughing up of the Dollar on the foreign exchanges, has bruised the Stock Market's *inner certainty.* Now the pen of a Beckett or even a Dosteovsky is needed to aptly portray the rich texture of the market's inner life. But the strong self *belief* which is enabling it to look into a somewhat grisly future with barely a flinch is borne of an amalgam of convictions. Stock prices, it is said, are cheap, and need not be cheaper, institutions are getting nervous about the softening of short term interest rates and will therefore trickle more cash into equities and whatever the length and severity of the looming economic squalls stocks are the only long term bargain left.

Mr. Robert Salomon Jr. of Salomon Brothers chose this last assertion for the title of a newsletter this week in which he argued that inflation had created a classic confrontation between tangible assets (gold, ceramics, old masters, houses, etc.) and financial assets (stocks and bonds). Because the compound annual growth rate over the last ten years of gold (16.3 per cent) Chinese ceramics (18 per cent) and other solid perquisites has outstripped infla*tion, Mr. Salomon is tempted to* believe that the long term potential for stocks must be excellent.

This is a conviction shared by some investors and may be a factor which has kept the market on its feet while the economy is gracefully swooning. *That the U.S. is the world's* bargain basement has been graphically illustrated by two merger agreements in the last 48 hours, each of which is worth more than $500m. In both cases, the acquiring company was able to offer a huge premium over market price and still acquire assets and earnings potential very cheaply. Thus Walter E. Heller International could hardly turn away Midland Bank's $42.50 a share offer when its stock was trading in the $17 range, but Midland was still acquiring a leading financial services company with substantial prospects for a modest 14 times 1978 earnings. Allied Chemical, meanwhile, proved an *irresistible suitor for Eltra Cor*poration by offering $51.50 a share, close to $25 a share more than the stock's recent trading range, but a scant 12 times 1978 *earnings for a diversified com*pany which will not fall to its knees in a recession.

Neither will IBM. Not a *non sequitur,* this, because *yesterday* the *giant* computer manufacturer rejoined the 30 stocks comprising the Dow Jones Industrial Average for the first time since 1939. Then *it was removed to make way* for American Telephone and Telegraph, because I am told, "It was seen as a stodgy office equipment company." IBM and the *drug producer* Merck and Co., are replacing Chrysler Corporation and Esmarck Inc. in the first significant revamping of the Dow line up since 1959.

The senior editorial staff of the Wall Street Journal who decide these things concluded that as a result of the three for *one stock split by* Dupont, effective Thursday evening, the Dow would be less representative of the broader market and also more volatile (see this *column January 20*).

Merck gives the drug industry its first representation in the average which, with IBM, now comprises a stronger leavening of growth stocks. This means that the heavy industry group is correspondingly reduced in influence which in turn may mean a slightly more ebullient Dow over the next year or so since growth and non-recessionary stocks will be more attractive to investors when the economy is stopped in its tracks.

CLOSING PRICES

Day	Close	Change
Monday	844.25	−4.35
Tuesday	837.66	−6.59
Wednesday	840.52	+2.86
Thursday	843.04	+2.52

FINANCE AND THE FAMILY

Compliance with a covenant

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

If a lessee breaks a condition or a covenant of his lease—for instance, erects a fence in his garden where the erection of such a fence is specifically prohibited by a condition of the lease—but the infringement is ignored (though not necessarily agreed to or condoned) by the lessor at the time: then is there a time limit on *any subsequent action* to remedy the breach?

Could, for example, ten years pass—after which the landlord could point to the breach of covenant, and demand that the fence be dismantled?

Normally the landlord is entitled to insist on compliance with a covenant, even if he has not done so in the past. However, there may be cases when either by waiver or by estoppel, the landlord may be held to have induced the tenant to believe that the covenant would not be enforced in such a way as to preclude the landlord from reviving the covenant. A recent decision is *Brikorn Investments Ltd. v. Carr* (1979) 2 WLR 737; but it must be borne in mind that each case depends on its own particular facts: there is no general rule.

Letting not for a holiday

I am having great difficulty in finding a suitable tenant for a London flat. I am told by accommodation bureaux that if one lets to overseas visitors on a holiday let basis, even up to six months or more and even if they are working here and say so, they would have no security of tenure after the period of the let had expired, and also that the Rent Act does not apply to other than UK citizens. Do you think this correct, and should I take the risk of letting under these circumstances?

We take the view that extreme caution should be exercised in effecting a letting which is intended to be a holiday letting where the tenants make the landlord or his agents aware that they are not using the accommodation for the purposes of a holiday. We disagree with *the proposition* that the Rent Act 1977 does not apply to foreign nationals—the Rent Act operates in rem and relates to the letting—not just the lessees. The "safeguard" with foreign tenants is that they usually do in fact intend to return to their own country, and in most cases they carry out that intention.

Widow leaving a house

My mother owns a house in which she lets rooms. A short time ago she went into an old peoples home, probably, but *not necessarily, on* a permanent basis, and her own rooms remain furnished but unoccupied. In view of your remarks under Widow leaving a house (April 21) is she still the resident owner-occupier with the right to give notice to lodgers?

We think that your mother *would still be entitled* to claim to be the owner-occupier. Moreover, if the lodgers are true lodgers they may well not be tenants, but only licensees; in which case they are not protected by the Rent Act 1977 at all.

Executive and trustees

The constitution of a local charity requires trustees "to deal with property as the executive committee shall from time to time direct." Despite this some members believe that the trustees have a legal right to dispose of property without the committee's authority. What, please, is your view?

We think that the trustees must act in accordance with the lawful directions of the executive committee, and with those alone. Any attempt to dispose of property without such authority could be restrained by injunction.

Earth piled against house

My 1902 house, of sound construction, has a public road running uphill along one side. When the road was made up in 1958 its level covered my damp proof course and air bricks causing damp and rot. My boundary projects slightly beyond my wall. Am I liable for keeping the local authority's earth at bay.

While you might have had the right to require the local authority to retain its earth in 1958, the lapse of 20 years will have enabled the local authority to claim the right to use your house wall for that purpose provided that the depth of earth piled against your house is not increased.

An exemption from CGT

I reside in a "tied" house belonging to my employer and under the terms of Section 36 *(3) Finance Act 1977* I am allowed Income Tax relief on the mortgage interest on a dwelling I have purchased for my retirement. At present it is occupied by my daughter on a Grace and Favour basis.

1—If I should sell this house and purchase another one would I be liable for Capital Gains Tax on the profit which could be in the region of £5-6,000? 2—If I sold the house and did not purchase another would the Inland Revenue seek a return of the tax allowed for years ending 5/4/78 and 5/4/79?

On the bare facts given, the answers to your questions are: 1—A portion of the gain (probably the fraction whose numerator is the number of days from July 31, 1978, to the date of the sale contract and whose denominator is the number of *days from the date of the* purchase contract to the date of the sale contract) should be exempt from CGT, under section 101(8) of the Capital Gains Tax Act 1979;

2—No, because all that matters, under paragraph 4A(1)(b) of schedule 1 to the Finance Act 1974, is your intention at the date on which each payment of interest was made. You may like to read the free booklet (IR11) on the tax treatment of interest paid, which is obtainable from most tax inspectors' offices (with an updating supplement).

Loss of title deeds

A small family company of which I am the principal shareholder purchased two properties in 1951. The company has been wound up and the properties let, but the deeds cannot *be found. What* should we do to establish title in the event of the properties being sold?

You should inquire of the solicitors who acted for you/the company on the purchase in order to ascertain if they still retain any copies of the title deeds. Enquiry should also be made of any bank or solicitors with whom the deeds might have been lodged for safekeeping. If all else fails you may have to make statutory declarations to show a possessory title, that is, occupation to *the exclusion of all others since* 1951, and application can then be made to the Land Registry to register the title as a "lost deeds" case. This should be put in hand at once as people who can give evidence as to the use of the property since 1951 may not be available later on.

Transaction a sham

I propose to give my son goods and chattels up to the value of £1,000 in lieu of CTT-exempt cash or investment assets. He has asked me to retain custody and care of the goods (e.g. porcelain, furniture) because he is unable to accommodate them for the time being. After my decease will documentary evidence of this arrangement be accepted for the exclusion of the value of these goods from the CTT liability of my estate?

The course proposed is theoretically possible. In practice it presents difficulties both in establishing that there has been a genuine outright gift of the chattels and in rebutting any claim that the transaction is a *sham*. Much will depend on the particular chattels involved and on the actual circumstances of donor and donee.

Liability for ground rent

I have some ground rents on property which has now been demolished. Could you please inform me who is now liable for the ground rent?

The fact that the house has been destroyed does not affect the liability to pay the ground rent. The tenant remains tenant of the land and liable to pay the rent.

Arrears of a pension

Although I retired in October last, a technical difficulty has prevented my pension being paid until next month, and I have commuted a fair amount. As payment of the whole will be in the tax year 1979-80 will the portion due from October to March fall into this year's income, or may I so elect?

Your tax inspector may be content to treat your pension payments as assessable (under paragraph 3 of schedule E) for the year in which they are actually received, if that is what you want. However, if he includes the arrears in a schedule E assessment for the year to which they relate, you have no statutory right to object.

Capital gains on sovereigns

Many years ago I bought several hundred sovereigns on which I could now make a substantial capital gain. Is it correct that they would not attract tax?

Unless the coins are of a date prior to 1837, it is correct that they would not attract tax on sale.

Central heating and rates

Referring to your reply under Central Heating and Rates (June 2), I find that the Local Government Act 1974 applies to England and Wales only. Does this affect the possibility of my resisting a proposal to raise the assessment on my Glasgow house in respect of a recent installation of central heating?

You have noticed correctly that the Local Government Act 1974 relates only to England and Wales.

In Scotland there is settled authority that a central heating system is regarded as a heritable fixture and can properly be taken into account by the Assessor when fixing the rateable value of the property.

An attorney and tax

Because my daughter was travelling in India when her 1978-79 Income Tax Return came up for signature; and her date of return to England was uncertain, I signed it on her behalf. The Inspector has now written to our accountants: "I regret I cannot accept Power of Attorney to Miss X's father, as signing a declaration in connection with a claim to relief is considered to be a statutory duty which may not be delegated to an Attorney or other agent." Is the Inspector correct?

The inspector is expressing the longstanding view of the Board, which is unlikely to be tested in the Courts but which would probably be upheld. Virtually the only cases we know of where an attorney's signature has been accepted have been where the taxpayer was incapable of signing (or of understanding the significance of the act of signature).

The Income Tax Acts betray their 19th century origins in their scant treatment of people going overseas, whether temporarily or for good. Emigrants (and immigrants), for example, have to rely on grace-and-favour treatment under concession A13 in booklet IR1: the corresponding capital gains tax concession D2 contradicts the specific legislation passed in 1965 and now re-enacted as section 2(1) of the Capital Gains Tax Act 1979.

There are anomalies in the time limits for appeals by people overseas. Quite reasonably, the time limit for appeals against rejection of claims does not start to run until the taxpayer actually receives the notice of rejection (by virtue *of section 42(3)* of the Taxes Management Act 1970): on the other hand, the time limit for appeals against assessments runs from the date the notice of assessment is typed (posted) and, since notices are despatched by surface mail normally, will often expire before the notice reaches the addressee. A taxpayer who receives a notice of assessment which has spent more than 30 days in the postal system has no statutory right of appeal, but can invite the General Commissioners to exercise their discretion to admit late appeals, by virtue of section 49 of the Management Act, and doubtless they would do so.

Similarly, it is to be hoped that the Board and General *Commissioners would exercise* their discretions to mitigate penalties incurred (or potentially incurred) as a result of the failure of Parliament to make provision for people travelling or living overseas.

As the work of General Commissioners is watched over by the Council on Tribunals, you may wish to take your concern further by writing to the Council's secretary (perhaps after talking to your colleagues and to your clerk).

YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

3uilding societies' tax bills are due to be cut thanks to he Budget. This could help them forestall a rise in mortgage rates, vrites **Eamonn Fingleton**

;ocieties' autumn windfall

: BUILDING SOCIETY in- ry's profitability has been ited by about £100m a year ı result of a hidden side- :t of the Budget.

ıe Budget's implications for ding society profit margins only now being fully appre- :d. The transformed profits ıre is bound to strengthen hand of those in the in- ry who are fighting a rear- d action to forestall a mort- rate increase.

ıe profits windfall arises ı an expected cut in the nposite" rate, the special of income-tax which build- societies pay on savers' rest income. The composite is an average and is chosen hat the Revenue get the total take as they would if taxed each building society ısitor individually.

stood at 22½ per cent in vear ended last April but is cted to fall to 20½ per cent the current tax year (it is ys much less than the basic of income-tax because ly half of all building ety investors pay little or no onal income-tax). A cut in composite rate is needed to ct Sir Geoffrey Howe's 3p in the £ reduction in the basic rate of income-tax and increases in personal allowances.

Normally changes in the composite rate are announced in the autumn—but are backdated to April. So, by August 1, the earliest the societies can implement an increase in their deposit rates, societies will already have clocked up about £35m more profits than they *had planned for.*

Large savers are deserting the building societies in droves to seek better returns at the banks and local authorities. So the societies are under pressure to raise their main deposit rate, currently 8 per cent, by ¾ or 1 per cent.

Some of the industry's doves feel societies' finances are now so strong that such an increase could be absorbed without the need to raise the mortgage rate immediately. And if by the autumn rates generally have fallen the societies could reduce their savers' rate and the threat to 5m home buyers would be over.

The mortgage rate currently stands at 11¾ per cent—just *half per cent short of the* record level hit in the crisis winter of *1976-77.* Then the Bank of England's minimum lending rate stood for a short time at 15 per cent, a full point higher than today. Any increase in the mortgage rate would *probably take it to a new* record at a time when the speed the cost-of-living index is rising is already an embarrassment for the Government.

So there is great goodwill to *garner if societies can head off* the threat to mortgage rates.

If they were to raise the deposit rate by ¾ per cent without increasing the mortgage rate, their profits before tax would fall about £23m a month below pre-Budget projections. Such a profits shortfall could not be borne indefinitely—societies have to make an adequate profit each year to top up their free reserves.

But there is no doubt that, thanks to the profits windfall they have already benefited from, societies could maintain such an interest rate structure for three months without much difficulty. The societies' reserve ratios in any case at present average an estimated 3.8 per cent—the highest level in the 1970s.

Trevor Humphries

Howe: 3p boost

Now you see it . . .

UNIT-LINKED

ERIC SHORT

A NEW withdrawal facility scheme being launched by Solar Life should prove attractive to many less sophisticated investors who want an income from life insurance bonds.

With normal withdrawal schemes, the investor can take up to 5 per cent of his original capital each year, with no immediate tax bill, by cashing-in the required number of units. This means that the number of units held steadily decreases. But if the unit price is rising by at least 5 per cent, the investors' capital remains intact. Solar has found that many investors cannot grasp the point and worry that they are eating away their capital.

These investors tend to be reluctant to cash-in units. So Solar's scheme neatly overcomes the psychological problem.

The initial investment is made into a new fund set up by *Solar—the Distribution Fund*—which invests in high yielding equities and fixed interest stocks. The income accruing to an investor's holding is transferred every six months to buy units in another new fund —the Solar Cash Fund—instead of being reinvested back in the main Distribution Fund. The Cash Fund is invested in liquid assets so the unit price is guaranteed not to fall. When the investor needs income, he simply cashes-in his Cash Fund units.

The original number of units remains intact. But the unit in the main distribution fund price does not get a boost of reinvested income, so its performance will lag behind that of comparable *funds* where income is rolled-up.

The scheme does ensure that investors do not eat into their original capital inadvertently, a pitfall many investors fell into with withdrawal plans in the 1974 bear market. It also provides the investor with flexibility. Investors paying standard rate tax only can withdraw more than 5 per cent each year without incurring a tax penalty.

Although this scheme is useful in providing income, investors should compare it with alternative investments such as high income unit trusts. They could be a better vehicle, especially for standard rate taxpayers.

'rumping Abbey's ace

SAVING

ERIC SHORT

: BUILDING SOCIETIES' est rate war hotted up this ; when the Bradford and ley offered a spectacular per cent net of basic rate for five-year money.

ıis is probably the highest ever from a major society lump sums. And it is the ect riposte to the Abbey onal, whose newly-launched Bondshare long-term stment has already cut a he through the industry.

ıe Bradford and Bingley is ing a full one point more est over five years than ey. Both schemes reflect industry's growing deter- ıtion to lock in more of savers in long-term ıdgements.

ıe Bradford and Bingley's ıt weapon is an insurance which allows it to grab ıtive tax subsidies to ove the returns.

ıe new scheme, named High- l Linkplan, is *a lump sum* ıtion on the usual building ety linked endowment plans regular savers. The saver's sum goes into a special unt at the Bradford and Bingley and is progressively fed into an endowment policy with the Eagle Star, which then immediately redeposits the money with the society.

The minimum investment is £600, enough to fund premiums of £10 a month for five years.

The investor can withdraw the lump sum at any time and either pay the premiums from another source or surrender the life plan. If the surrender takes place after four years, there is no tax liability for basic rate taxpayers.

Bradford and Bingley has pitched its terms so that you get a higher yield if you wait five years. The lump sum *investment earns* interest at the ordinary building society savers' rate (at present eight per cent) and a one per cent guaranteed interest bonus is added to this rate provided the investor does not cash in before five years. Thus the return after five years for a investor under 40 is 10.67 per cent net, but only 10.30 per cent net after four years.

At the end of five years, the saver has two choices:

- He can add an additional sum and continue the contract for the full ten years.
- He can cash-in and, if he *wants, start afresh.*

Under current conditions to start afresh is better than to continue the plan. The net yield after five years is 10.67 per cent, but this falls to 9.67 per cent after ten years.

Royal Insurance has a scheme with Britannia Building Society whereby a lump sum is invested into the building society and monthly premiums bled into a ten year with profits contract. This is the first lump sum scheme where the money remains invested in the building society throughout, but which harnesses the life insurance tax subsidy in a paper transaction.

One wonders what the Inland Revenue thinks.

'he cost of giving

TAXATION

DAVID WAINMAN

TTAL TRANSFER TAX is ged where an individual uces the value of his estate." ng it away to other people ng his lifetime is the most ous way of doing this; but ing it on trust, or selling ts at an *undervalue* are ıts. And there are other sions of charge particularly elation to trusts, not dealt ı in what follows.

iving involves taxation; and g is equally chargeable, but more expensive, because rates of tax on death are ıer for amounts up to ,000 than are the *rates for* r-vivos gifts. Over that re the rates of 60, 65, 70 and per cent apply even dedly.

o much is straightforward well known. But there is ıer less universal understand- of what seems to be known the gross and net rules for s.

he principles are essentially ple. The first £25,000 given ay (over and above the annual mption of £2,000, the small s exemption of £100 per ıpient year, wedding pre- ts and specifically exempted s), is free of tax. Thereafter next £5,000 is chargeable at er cent, so that tax of £250 to be paid over to the tax lector.

f the gift is made net, the ıpient gets £29,750, and the venue takes its £250. It may m too obvious to need laining, but the donor in der to *compute his* tax ıility has to "gross up" his gift of £29,750 to £30,000. ıs is the sum out of which can pay the net amount to object of his bounty, and also pay the tax to those ın also benefit from that unty, despite any objections may have to their doing so.

The alternative form of gift the "gross" one. So long as e recipient is prepared to count for tax on an appro- iate sum, the tax collector will t be worried. If we assume at the individual at whose net 9,750 gift we have already en looking makes a further ft of £34,000 on terms that the cipient is to pay the tax, then e donor's cumulative gross etime gifts will have reached 4,000.

Tax on £64,000 is £4,575, but donor has already paid for his first gift. There is to be paid on the second. At this point, it is fair to say it makes no difference hether donor or recipient pays the tax. The total tax bill is unchanged. So also is the net figure left in the recipient's hands—whether as a net gift, or as a gross gift reduced by the taxman's depredations.

But there are advantages to be gained from the gross route. First, it enables the donor to dispose of specific assets without selling them, and without *having to dip into the* balance of his estate in order to be able to afford to give away the asset concerned. Secondly, if that asset is real property, and if the recipient retains it, he can pay the tax by eight annual or sixteen semi-annual instalments. Interest will be charged on the amount outstanding in this case, but in a period of high *inflation many* people would say that the right to pay tax over eight years, even where interest is charged, is a bargain not to be missed.

More favourable still are the instalment arrangements applying to businesses in certain prescribed circumstances. Interest is not charged on the whole tax outstanding, but only on any *instalments paid after the* annual or semi annual dates by which they are due. This basis is available on the transfer (whether during life or on death) of a business, a part-interest in a business, controlling shareholdings in a company, and of holdings of unquoted shares which meet certain requirements as to value *and* percentage holding in the company and as to the size of the tax liability on that holding.

The detailed application of the rules regarding engrossment of gifts had to be altered *in the 1978 Finance Act,* as a result of the change in the rates of tax made in the previous October. Mr. Joel Barnett then raised the tax exempt *threshold from £15,000* to £25,000. Tax *already* payable on gifts made before the change was not repayable—but the cumulation position needed to be amended.

Had a donor made a gift before October 27, 1977 which reduced his estate by £30,000, the tax chargeable would not have been the £250 mentioned in our illustration above, but would have been *£1,750.*

On the footing that the donor paid the tax, the recipient would have received a net £28,250. If the donor were then to make a further gift of £34,000 after 27 October 1977, this amount would be treated, in calculating the liability on it, as being "accumulated" onto the top of a revised original gift as follows:—

Original net transfer ...	£28,250
Tax originally charged thereon ...	1,750
Original gross ...	30,000
Tax at new rates on this original gross £250	
Difference between tax *figures allowed* to be deducted ...	1,500
Revised *gross amount* of original gift for accumulation purposes	£28,500

Tax on the second gift of £34,000 would therefore be only £4,137, compared to the figure of £4,325 calculated earlier. The explanation is simply that when the second gift of £34,000 is superimposed onto the revised, lower, accumulation figure of £28,500 (instead of £30,000), this saves the top £1,500 of tax at 17½ per cent, substituting for it a rate of only 5 per cent on an equivalent amount.

If the donor dies within three *years* after having made a gift, additional tax becomes payable —because the full rates of tax have to be substituted in place of the lower rates for lifetime gifts. The law says that this *additional tax should be paid* by the recipient, and it is easy to follow the rationale of the tax calculations if this is what happens:—

Tax at the "death" rates applicable after 27 October 1977 on a gift of £34,000 (that amount accumulated onto previous gifts of £28,500)...	£8,275
Less tax already paid ...	4,137
	£4,138

It is possible, however, to provide by will that the further tax becoming payable as a result of death should be paid out of the estate of the deceased donor. The effect, since the additional tax concerned is in effect a specific legacy to the *original* recipient, is to burden the residue of the estate with this extra legacy. It does not alter the estate's aggregate tax liability, since that is based on the total of the gift and the taxable estate passing on death, but it does dramatically alter the way in which the tax falls, and how much is left, net, for the residuary beneficiaries. The result might well be regarded as capricious.

YOUR SAVINGS AND INVESTMENTS—2

Find a good insurance broker if you are shopping around for a top-up mortgage, advises **Eric Short**

Don't go over the top

IF YOU need a top-up loan from an insurance company as part of a mortgage package, look carefully at the terms of the deal.

Insurance companies have been stepping up their lending to home buyers lately as the flow of building society funds has failed to keep up with soaring house prices. But with many borrowers desperate to buy the home of their dreams, insurance companies can drive a hard bargain for the extra finance needed to clinch a purchase.

Most insurance companies charge higher interest rates than the building societies. About 14 per cent is typical at the moment and this compares with the standard building society mortgage rate of 12¾ per cent. One major exception is National Mutual, which charges the same as the building societies.

Some companies charge fixed interest rates. But most companies' mortgage rates are in theory variable; in practice, however, rate changes are rare and lag well behind changes in other interest rates. Several companies charge different interest rates depending on the type of repayment arrangement you choose.

A major snag of top-up arrangements is that the insurance company will insist that you take out an endowment policy to cover not only the loan it advances but also the building society loan. This will make the package much more expensive in the early years than if you used an ordinary building society "repayment" mortgage.

With many companies you will be forced to accept a non-profit endowment for the top-up part of your borrowing if not for the whole of it. Non-profit endowments are by far the most unattractive of the three main versions of the endowment mortgage idea.

Where you can incorporate a low-cost endowment—the best of the endowment game—in the package, it will probably be restricted to the building society part of your borrowing.

Many insurance companies regard lending to home buyers as unprofitable and troublesome: the saving grace for them is the chance to sell more endowment policies. The business is more attractive to an insurance company if the policyholder takes a non-profit policy—most insurance companies have been having trouble maintaining a big enough proportion of non-profit policies to maintain a good balance.

For many insurance companies, the biggest attraction of granting mortgages is that it is a powerful aid to them in cultivating their insurance broker contacts. Because mortgage *finance is always in chronically* short supply, a broker is grateful to any company that is prepared to channel top-ups through him. Companies can therefore afford to restrict their mortgage business to brokers who give them a lot of business.

So to get a top-up you need to shop around for a good broker. The company you end up with will depend very much on whom he knows.

WHO'S TOPS IN TOP-UPS?

	MAXIMUM TOP-UP	CURRENT INTEREST RATE	TYPE OF ENDOWMENT POLICY ACCEPTED: For building society loan	For top-up loan
	£	%		
Eagle Star	50,000	13 -14	Any	Non-profit only
Legal and General	*20,000*	*13½-14½*	*Any*	*Low-cost excluded*
National Mutual	Not disclosed	12¾ (varies in line with building society rate)	Non-profit for at least five years; then full with-profits	
Norwich Union	10,000	14	At least 50 per cent non-profit; balance full with-profits	
Royal Insurance	12,500	12 -15	Any	Any
Scottish Amicable	5,000	13½	Any	Low-cost excluded
Sun Life	Not disclosed	14	Low-cost excluded	Non-profit only

Skandia's idea

LIFE POLICIES
ERIC SHORT

INVESTORS SHOPPING for unit-linked life insurance now have yet another life company with a full range of products from which to choose. For this week the Swedish group, Skandia Insurance Company, launched a British life subsidiary.

Skandia, as a new life company, has tried to offer something different in addition to the normal range of unit-linked and pension products. Uniquely, it is marketing what is effectively an inflation-proofed whole life contract where the investor can increase the guaranteed death cover and the premium each year in line with the Retail Price Index. The policy qualifies for all the usual tax privileges.

Indeed Skandia has designed a scheme whereby the investor can reduce as well as increase his guaranteed life cover. This provides the flexibility to meet the changing commitments of an investor during his lifetime. It is achieved by writing the contract as a series of independent policies. Skandia, to save on administrative costs, will treat them as one contract with variable cover.

The company will deduct the cost of the life cover each month from the premium; the rest is invested in units. On cash-in the investor gets the value of the units. In this respect the plan is similar to a best-selling whole life plan marketed by Hambro Life.

John Makinson on adventurous investments

Take a flier—on a skyship

THE COUNTRY which brought you the jet turbine, hovercraft and jump-jet proudly presents—the Thermo-skyship. A stake in this latest example of the British entrepreneurial spirit can be yours for £1,000 and Julian Benson of stockbrokers Laing and Cruickshank says the demand for prospectuses has been enormous, with much of it from private clients though the offer is still heavily under subscribed.

The demand undoubtedly owes much to the technical potential of the skyship, as well as its ability to operate without jet-fuel. There is perhaps another reason: a dearth of suitable high-risk ventures for enterprising private investors to take a gamble on. So anything eye-catching is bound to attract an exuberant following.

There is no shortage of inventions being patented but many are either modest enough to be financed by a friendly bank manager or emerge from major companies.

The only recent venture to rank in size with the skyship was a 3D photography process being developed by a company called Nimslo. Sandy Gilmour of stockbrokers Joseph Sebag helped to put together £3m for the project and believes that, while institutions took an understandably hard-nosed attitude, many individuals had been looking for this kind of opportunity and did not always examine the technical process too closely.

There are, however, companies which specialise in raising venture capital for small, unlisted concerns and which welcome investment interest. They often do not advertise, to avoid being inundated with earnest crackpots claiming to have invented a perpetual-motion machine.

One such company is Norton Warburg, which advises private clients on high-risk start-ups. Two years ago it set up a subsidiary called Norton Warburg Investments (NWI) with a *capital of £1.5m and 100 share*holders, mostly private investors. For a minimum subscription of £10,000 the punter was offered a portfolio which now totals 10 companies, ranging from the Chicago Pizza Pie Factory restaurant to boat manufacturers, producers of burglar alarm detectors and developers of an art reproduction process.

All the enterprises were innovative in some way and, according to Stephen Gee of NWI, all but one are already trading concerns. None the less, they were either too small or too risky to attract traditional sources of capital.

The potential rewards from this kind of investment are clearly enormous, as are the losses if the project fails to materialise. There are also less obvious drawbacks.

Capital is generally raised for research and development purposes so the investor may have to wait at least three to five years before receiving any return.

Withdrawing the capital can be a problem. Shares in small, venture companies are not readily negotiable even under the Stock Exchange's rule 163 (2). Selling the investment can therefore be both difficult and expensive.

Finally, since prospectuses are not compulsory, information on the project may be scanty and perhaps inaccurate.

Lucky investors of risk capital may be able to retire after a few years. Others will be in for a longer vigil. The Channel Tunnel investment company was registered in 1881 and shareholders are still waiting.

Forty shades of green

INSURANCE
JOHN PHILIP

"DO I REALLY need a green card?" this week asked a friend intending to take his car and family across the Channel to France. Expecting the answer "Yes" to what he clearly reckoned a rhetorical question, he was surprised when I said "No" and went on to emphasise that it was far more important that he should inform his insurers of his trip and get their agreement, by endorsement most probably, to extend the full cover of his policy for his holiday.

There is a widespread and popular misconception that the issue of a green card gives the motorist going abroad the right to enjoy the same cover as he has at home. But the green card does nothing of the sort—it cannot, because it is simply an international motor insurance certificate: it provides evidence of the fact that the issuing insurers are providing protection for the named motorist in respect of legal liabilities required by law to be insured in the countries for which the green card is valid. This, and absolutely nothing more.

The green card system was developed in post war years first by insurers operating in Western European countries, and subsequently by insurers further afield, in Eastern Europe and around the Mediterranean: and at one time travellers could reckon to have all their motoring documents including green cards examined at each frontier crossing.

But, five years ago, the nine EEC members decided to stop inspecting at "internal frontiers" the green cards of each other's motorists: and almost straightaway similar agreement was reached with eight other countries outside the EEC—Austria, Czechoslovakia, East Germany, Finland, Hungary, Norway, Sweden and Switzerland.

To get into these 16 countries the British motorist strictly does not need to have a green card—but once past the frontier he can take it that the local police will be more familiar with its layout and purpose than with the average British motor insurance certificate. But if he wants to travel further afield, say to Spain, Portugal, Jugoslavia or Greece, then the British motorist must have a green card or, at the frontier, buy insurance sufficient to comply with local laws.

Since 1975 the "third party" section of all British motor insurance policies has automatically included cover both in the eight other EEC countries and the eight non-EEC countries I have listed: indeed insurers are legally obliged to provide this cover. But it is narrow, restricted, cover and, like the green card, applies only in respect of those liabilities that local laws require to be insured.

Here in Britain the motorist has to be insured, without financial limit, in respect of his legal *liability* for death and *injury* to all persons, including his own family. But, for example, in Belgium, Holland and Italy, compulsory laws do not include members of the family, while in France they do not include passengers. So the British motorist who relies solely on the European third party cover provided by his policy can be short even of injury liability cover that he takes for granted in his daily motoring at home.

But of coure he is short of much more. The average "comprehensive" policy not only insures the car against damage, fire and theft: it pays for some medical expenses and provides limited accidental injury benefit: it gives limited luggage cover. None of this does the motorist get, if he relies on his EEC clause, if he does not ask his insurers to let him have the full protection of his policy.

If "comprehensive," this will normally include the risk of damage in transit on sea ferry of up to 65 hours' duration, the cost of getting his car back home if it is damaged abroad, the cost of customs and import duty if it has to be abandoned there

However, the motorist taking his car abroad, should not assume that his insurers will on request provide him with just as much cover in Europe as he has at home. *Much will depend* on the kind of car, the motorist's own record, his experience of driving abroad, the experience of other members of the family who will drive—and so on, not forgetting the countries to be visited. In fact insurers take into account all those factors that they consider at home, but view them, as it were, through European spectacles.

Whatever the cover insurers provide, the motorist will have to pay extra premium. This is simply because the ordinary annual premiums that we all pay do not include any charge for the extra cost of continental motoring. And once he drives off the continental quayside, the British motorist is at greater risk than he is at home, partly because all European countries suffer a higher accident incidence than we do, partly because he is a foreigner driving the opposite side of the road to which he is accustomed.

The "comprehensive" motorist enjoying full NCD and taking a group two or group three saloon car for a fortnight's holiday can expect to pay premium in the £6 to £10 range—but circumstances alter cases: for example the father, who wants his newly qualified teenage son to drive may well have to pay rather more, and accept a substantial restriction of his damage cover while his son is driving. And, of course, premium rises sharply for higher performance cars or for longer than average holidays.

Tremor in the executive suite

MINING
PAUL CHEESRIGHT

ANY HOPE of a carefree weekend for mining executives disappeared on Thursday. The decision of the oil producers to establish prices at a level on average at least 50 per cent higher than in 1978 sent, it is reasonable to guess, a tremor around the executive suites of the industry.

There will be greater pressure on costs, of course. Open-pit operations will be immediately affected. At the world's largest copper mine, Bingham Canyon, run by **Kennecott Copper's** Utah division, about 100 haulage trucks carry over 300,000 tonnes of ore a day.

The pressures will vary, from pit to pit, from mineral to mineral. But the lateritic nickel producers, 80 per cent of whose running costs are related to energy, will be badly hit. Likewise the gravel pump tin miners.

The industry will gradually come to terms with the rise in costs, but the speed at which it adapts will depend on the wider economic environment.

The first reaction in the industry was that any recession in the U.S. is likely to be deeper. The **Japan Economic Research Centre** is now predicting that Japanese growth will slow next year. The saving factor is that if general confidence holds, the recession could be mild and certainly not on the scale of that in the aftermath of the 1973-74 energy crisis.

But the point is that the base *metals industry at least is only* just recovering from this last crisis. There is still extensive unused mining capacity in, for example, copper and zinc. And where prices have risen in recent months—copper and zinc again, but nickel as well—this has owed a good deal to producers restraining output.

At the same time, there is some evidence that the rise in demand apparent in the final quarter of 1978 and the first quarter of 1979 has tended to flatten out. This would account for the generally lower tone over the past few weeks of London Metal Exchange copper prices.

Recovery then has been stuttering and there is now a distinct possibility that it could be halted—at least for a time. Certainly the LME took that view when in the first trading sessions after the oil price rise, more than £30 a tonne was taken off the cash copper price.

But the gold price also fell, losing $4.50 to $277.375 an ounce on Thursday and closing yesterday at $279.875. Yet the gold price is supposed to thrive on conditions of economic uncertainty.

Arguably the price was due for a reaction in any case. Although it has risen from under $250 at the beginning of May, the narrower daily trading ranges of the last fortnight had already suggested that the advance had run out of steam.

Traditionally, conditions of strict deflation and tight money do not suit the gold market and a period of such stringency already seems to have started. **The American Express International Banking Group** has drawn attention to the possibility of a boom in fixed interest bond markets around the world and it is just such a boom which could act as one countervailing attraction for money at present in gold.

Of course the Middle East oil producers, seeking a home for extra oil revenue, could divert funds into gold and this is something the South African mining industry will be anxiously looking for.

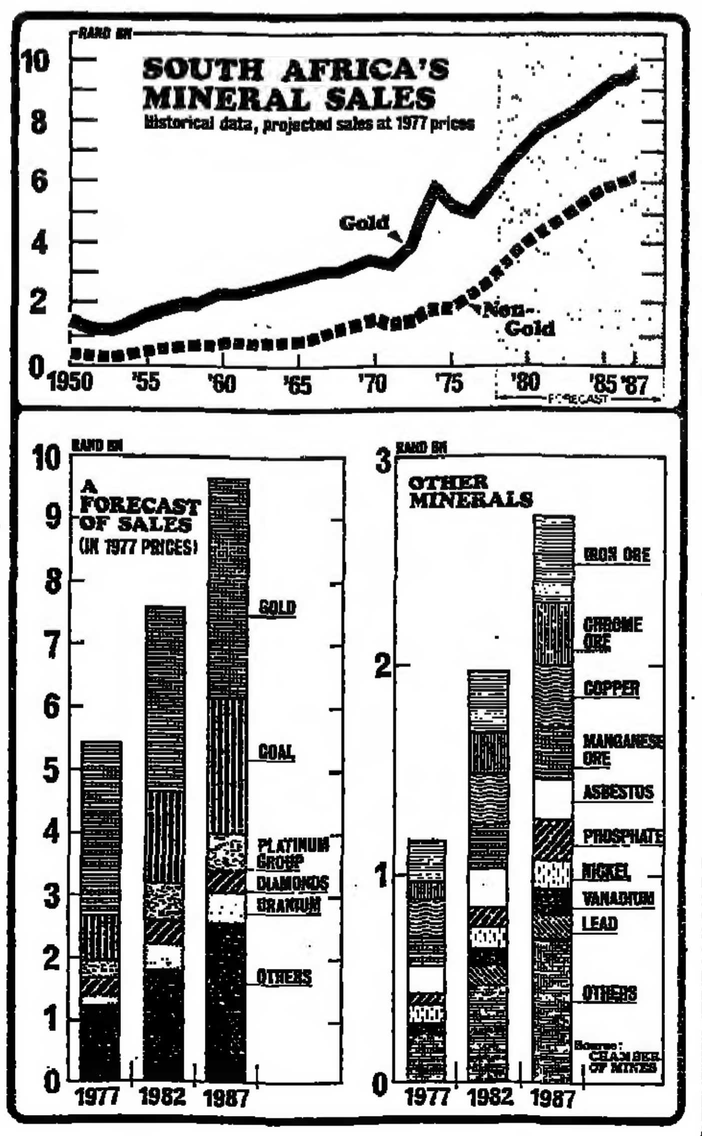
For the moment the South African industry in general is buoyant. As Mr. P. A. von Wielligh noted in his presidential address to the Chamber of Mines this week, the value of *mineral sales rose 24 per cent* last year. And the Chamber, as the charts show, is expecting marked growth over the next few years.

The possibility of international recession might reduce the expected rate of growth but South Africa has such a wide spread of products that weakness in the market for one often tends to be balanced out by strength in another.

The problems of the South African industry are not so much related to the nature of its resources and the availability of markets as to basic difficulties peculiar to the country itself. Thus Mr. von Wielligh complained about lack of productivity improvements in the gold mining industry because of the failure to make major progress towards using all skills available to the industry. The reason is the colour bar.

So far, the Chamber itself has been unsuccessful in its attempts to convince the white unions in the industry that there will be enough jobs available for all, whatever their colour.

Further, there is a developing shortage of engineers in the industry, as the Chamber made clear in its latest monthly bulletin. The industry is receiving less than half the graduates it needs. South Africa no longer offers the same salary advantages to expatriates, many of whom are put off by the demands to undertake national military service. And there are simply not enough engineers being trained in South Africa to meet all the demands of the different sectors of local industry.



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PROPERTY

Inflationary trends on the home front

BY JUNE FIELD

PROPERTY PRICES up, down or static? With higher VAT on estate agent's commission, and solicitors' fees, a few increases in already quoted purchase prices have been recorded. Several estate agents have told me that after the Budget some vendors withdrew their contracts because, with impending inflation they felt that their homes were now worth in excess of what had originally been offered, and anyway they were finding that it was going to cost them that much more to buy another property for themselves. Another owner asked for the particulars of his property to be re-circulated, pushing the price up from £65,000 to £69,000.

One seller, having had a hefty bill for roof repairs since he put his house on the market, felt it was only fair that he should add those to the selling price; other vendors, where their original sale had fallen through, promptly put the property back at a higher price, and are receiving just as many applications to view.

Although in general most agents admit that they would prefer people to put their properties on the market as soon as they are in the mood to sell—what agents want more than anything is a constant supply of fresh instructions—they admit that there have been too many frustrated deals recently where vendors have withdrawn at contract stage because they cannot find anywhere to go in time for completion. But against that is the high cost of a bridging loan, and the uncertainty of how long it will be needed, even on a seller's market. "A chicken-and-egg situation that is difficult to resolve," admitted one South Coast agent.

One agent also confided that unless you absolutely have to sell now, it might be wiser to hang on until next year. "Although there could possibly be a slump at the end of the year, prices could well be up again next spring."

Another danger of upping existing prices is that say a Mr. A sees that a similar house to the one he wants to sell, is on offer by Mrs. B. for x number of £'s, and promptly raises his price to meet or beat that one, this contributes to an artificial rising-price spiral. For until Mrs. B actually gets her price for her property, no real pattern has been established. And as Mr. A often won't know whether she accepted a much lower offer on her asking price, the value of his property is really just a paper one.

One property that has been considerably reduced in price because it is a company move, is Beech Cottage in Guildford, Surrey. This appealing three-bedroom detached mews-style period dwelling, 8 minutes walk from the town centre, and main-line station (Waterloo 38 minutes), tucked away in a No-Through Road, was around £80,000 a few weeks back. Now the "sale" price is £68,000, for a quick cash purchase. "Excellent value," say the agents, Messenger May Baverstock, 8, Quarry Street, Guildford, who will send details.

I spoke to one of the firm's negotiators, Sandy Glennister-Allan, who told me that with petrol restrictions they are getting more requests for really serious concentrated family viewing at weekends. Although the office is only open until 1 pm on Saturdays, she and her colleague Jill Clements, who both live in the area, will happily organise out of hours inspection arrangements, particularly for those coming long distances, if they will first telephone during office hours on 0483 72992.

Rothbury, West Byfleet, built around 1914, has a wealth of old joinery, 4 bedrooms, and a flat on the first floor suitable for an au pair unit. There is a courtyard with storage rooms in the ½-acre grounds. Price, offers around £90,000. Illustrated details from S. C. Garbett Mann and Co., 22 Commercial Way, Woking, Surrey, Telephone Woking 73101, or 49 Old Woking Road, West Byfleet, Telephone 91 43288, which is open 7 days a week, including Sundays 10 a.m.-1 p.m.

Sardinian delights

LOOKING FOR somewhere different to spend your premium-free currency? You could try Sardinia, the comparatively unspoilt Italian island in the Tyrrenenean Sea. The country has its troubles, of course, where doesn't? *Per la liberta rota* is the occasional *graffiti* scrawled on walls, and there is unemployment which the benefits of tourism have not yet greatly alleviated. But the climate is pleasantly temperate, varying from 50°F in January to about 75°F in July, when there is usually a cooling breeze. The food is deliciously Italian with distinctive Sard overtones, and the scenery is magnificent, with its bizarre rock formations carved by different weathering of granites and quartzites.

I flew direct Gatwick/Olbia, then was driven some 60 km to the pretty Hotel Shardana, built about six years ago, part of a delightful new village complex, Bahia Santa Reparata, in the north, near the busy town of Santa Teresa di Gallura. It is not hard to unwind in one of the tiny guest bungalows set *on the rocks among the juniper* bushes, practically overhanging the crystal clear water of the sea as well as a salt-water swimming pool. After a bathe and a drink on my terrace (a glass of *vernaccia*, the local wine, topped by a fresh strawberry), I strolled across to the nearby villas and apartments.

The pinky-beige stone buildings, happily low-rise, if not of over-exciting architecture, are being developed by *Lidi d'Italia* s.p.a., a company headed by Dott. Vincenzo Messineo, whose headquarters is in Bologna on the mainland. *Una casa per vacanze di sogno*—a house for the holiday of your dreams—is how this enthusiastic Sicilian is promoting Santa Reparata, where I saw the handsome dream house he is having built for himself.

When the new resort is completed, (in about three years time), it will consist of 600 low-rise apartments and 150 villas, plus an Olympic-sized swimming-pool where they were expecting to let the water in any time, restaurant, shops, amphitheatre and so on. The apartments are exceedingly well finished, with *interesting decor ideas, and* come complete with dish-washer, washing machine, electric and gas rings, (no actual oven—some of the apartments have their own barbecues in the little gardens), and in some cases, all the furniture.

All the studios have been sold, and the next phase, already built, of two-bed apartments, are selling from £18,693, fully furnished. There are also duplexes (two-floor apartments), costing from £30,000, which can sleep four to six people, and villas can be built to order, from about £43,000. Well-illustrated brochure from Yassmin Standing, manager, overseas department, John D. Wood, 23, Berkeley Square, London, W1, Telephone 01-629 9050 (weekdays), who can also advise on the letting, and how to organise a travel-package through Magic of Sardinia.

What happened to the jet-set development of the Aga Khan's, the Costa Smeralda? It's still there, entering a new phase, with a great deal of construction going on at the moment. I feel it needs a further report when the work is further *advanced, but I can tell you the* *Cala di Volpe*, luxury hotel where the boats come right up to the back garden, still has incomparable *ambience*.

For your reading: Virginia Waite's *Sardinia* (Batsford, 1977), Russell King's *Sardinia* (David and Charles, 1975), *The Travellers' Guide to Sardinia* by B. Ghirardelli (Cape 1967), and *Sardegna*, a new, practical guide to buy when you are there at L.3500 (about £2), at the airport shop, or in the square at Santa Teresa di Gallura.

Baia Santa Reparata on the Italian island of Sardinia where fully furnished apartments are for sale from £18,693, in a pretty setting of hills and sea. Details Yassmin Standing, Manager, Overseas Dept., John D. Wood, 23 Berkeley Square, Mayfair, London, W1, Telephone 01-629 9050 (weekdays).

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GARDENING

4y ten best shrubs

ARTHUR HELLYER

WAS *Abutilon suntense* h started it. Gloating over gorgeous sustained display his newcomer it suddenly rred to me that it could well he best flowering shrub in garden. Well perhaps *not* best, but surely one of the ten? But if so which were other nine? The game was nd I was soon furiously re-ssing every flowering shrub ow trying to decide what r of preference I would y to them were I really con- to ten.

considered rhododendrons decided to exclude them be-e of their dependence on -free soil. Nor, on the e, are they shrubs to be red in isolation. I have sympathy with those who rhododendron gardens for is the way to enjoy them: he mass and with a fair sentation of their fantastic ty. I could not even con-myself to a list of 10 rhodo-rons: 100 would be much realistic.

t with camellias it is differ- There is not the same in colour and form and are considerably more able about soil. Nor have difficulty in selecting one favourite. It is the delec- Donation which always rms well, makes a lovely more elegant in habit than , and has first class foliage. pril it is the most heart ling shrub in my garden.

iladelphus, the mock es which everyone per- ly persists in calling gas, must be represented hey are among the most ble of shrubs, no trouble at d generous in the rewards give. All are good but I e Philadelphus micro- us for my ten because it up little room and is in- bly free flowering and andngly fragrant even in a y-noted for prodigality and ness.

pass over most of the ms and genistas, because are short lived and have a r brief flowering season, make exception for *Cytisus ndieri* because of its downy, y grey foliage and distinc- pineapple scented flowers ed in bold upstanding rs quite distinct from those y other kind. It can also be in various ways: as a free ing bush, quite hard ed if that is necessary to it in bounds, or allowed to op its long, flexible growths e full so that they can be ed on a wall or to any other available support.

For late summer there would have to be a buddleia and my choice would be Black Knight rather than the popular Royal Purple. I prefer its rather more branching habit and deep iris purple rather than plum purple colour. All forms of the purple buddleia are honey scented and equally effective in attracting red admiral butterflies to the garden.

There would also have to be a hydrangea and it is not easy to make selection between several candidates: velvet leaved *villosa*, hardy *paniculata*, snowball flowered *arborescens grandiflora* or one of the *macrophylla* varieties. In the end I decided on the last, selecting Generale Viscomtesse de Vibraye for its reliability (it will flower from the side stems even if the terminal buds get killed by frost as they sometimes do) and because it is not only the easiest to blue but, as it fades, changes to fascinating shades of dove grey and metallic green which keep it interesting at least until November.

For June and July there would have to be a shrub rose though with these it would be easy to say, as with rhododendrons, that there are so many top level candidates that it is absurd to single out one alone.

What about Nevada, Marguerite Hilling, Nyphenburg, Constance Spry, Ritter von Barmstede, Buff Beauty and Aloha to name just a few of my favourites? Yet this time I will not run away from the problem but will nominate Penelope, always lovely, easy to grow and flowering for a longer period than most.

On its performance this year *Kolkwitzia amabilis* cannot be left out. It is more graceful and freer flowering than any of the weigelas which it resembles and to which it is related and it makes a marvellous display. No wonder the Americans call it the Beauty Bush. However there are some inferior forms about which do not flower so well. This is a plant to be selected in flower, either bought at a garden centre in June or marked in a nursery with one's own label so that it may be safely delivered in the autumn.

Daphnes are lovely but a little too temperamental to be in the top ten and even the hardiest cistus can be unreliable in a tough winter. For the same reason I omit all forms of ceanothus magnificent though many of them are. Ceanothus impressus is certainly a claimant for selection in the best 10 plants to train against a sunny wall.

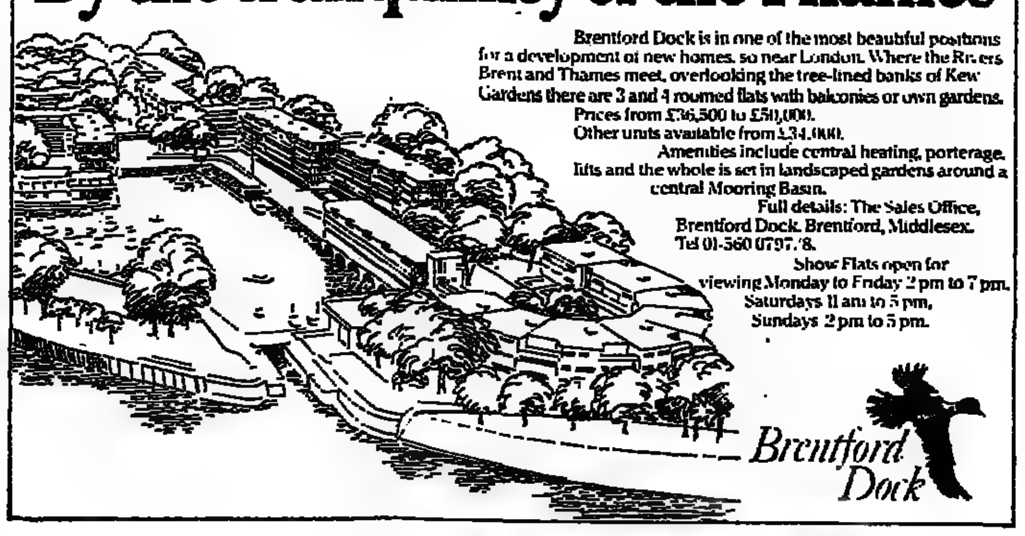
I could opt out of including a pyracantha on the twin counts that most gardeners train these on walls and anyway grow them for their berries and not for their flowers. Yet this would be cheating for I grow pyracanthas as free standing bushes and for their flowers as well as for their fruits and I unhesitatingly pick P. rogersians as the best in this triple role.

My list grows and a whole host of candidates scream for attention: hypericums so useful for their continuous flowering, most of all the admirable Hidcote.

Then there are diervillas which can load themselves with flowers almost as freely as the kolkwitzia; many viburnums but most of all the magnificent *V. plicatum tomentosum*, but it needs a lot of room if it to do itself justice, and the shrubby potentillas which have a long flowering season though the effect can be somewhat spotty. I must pass them all over in favour of *Senecio greyii*, or at least the plant that masquerades under that name in gardens but is probably a nameless but hardier hybrid from that rather tender species. It is a magnificent grey leaved evergreen which can almost disappear in July beneath the great clusters of golden daisies. Last winter was too much for it in most British gardens but it is so easy to propagate from summer cuttings that it is well worth the risk of occasional loss.

Which brings me full circle to the shrub with which I began. *Abutilon suntense* is a shrub so new that most gardeners do not yet know it and exclaim with surprise when they see it for the first time. Abutilons have a poor reputation for hardiness and *A. suntense* certainly looks as if it ought to be a little tender: soft stems, downy leaves and very rapid growth; yet it came through last winter virtually unscathed. It is a hybrid between *A. vitifolium* and a scarce species from Chile named *A. ochsenii* which I do not know though I hear good accounts of it. The flowers are fuller and rounder than those of *vitifolium*, a much deeper heliotrope purple and immensely prolific. I hear that there are inferior forms about so I hope nurserymen will be careful to secure and distribute the best. It is scarce at present but cannot remain so for long since it is one of the easiest of shrubs to propagate from summer cuttings.

By the tranquillity of the Thames



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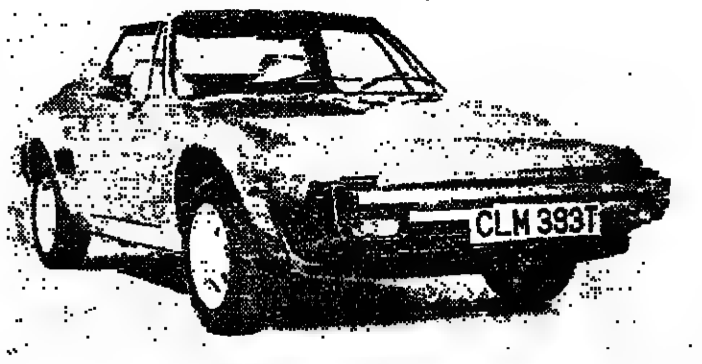
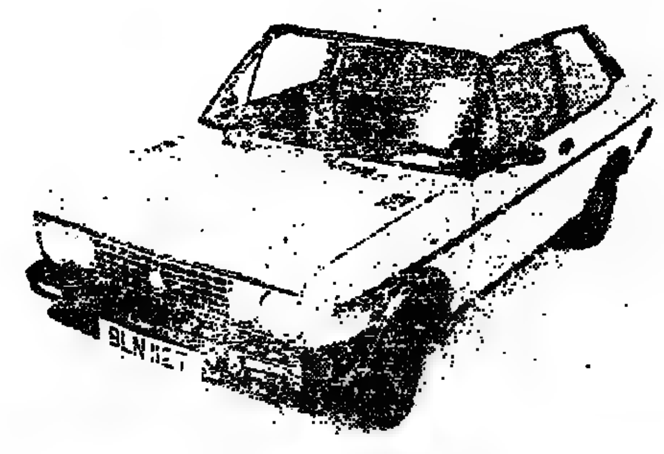
MOTORING



The Fiat X1/9 mid-engined two seater. The style of a Ferrari at a fraction of the cost.



Fiat's Mirafiori Sport TC 2000. For the family man who likes to get a move on.

Sporting double from Fiat

BY STUART MARSHALL

THE X1/9 is pretty enough to turn anyone's head, especially in hot weather when it is going topless. And it looks so trendily up to date that it's hard to believe its debut was in 1972.

That was a day to remember. Fiat had invited the international motoring Press to thrash their new sports car around the Targa Florio circuit in Sicily. It is so sinuous that a couple of hundred yards without a hairpin rates as a long straight. That day, the rain lashed down ceaselessly. There was a lot of fairly wild driving, but Fiat's faith in the X1/9's balanced handling and quick responses was justified. No one so much as dented the safety barriers on any of the hundreds of corners.

At first, Fiat planned the X1/9 only with left-hand drive and had the U.S. market much in mind. Eventually, they gave into demand and produced a right-hand drive version for Britain in 1976. It was an instant success and remains a most coveted car.

The X1/9 is a classic example of original thinking combined with the use of existing hardware. Though mid-engined, it has the same power pack as a mass-market Fiat family saloon. At first, this was the Fiat 128's. More recently, it has acquired the larger (though basically similar) engine and five-speed gearbox from the Ritmo, which went on sale here last month as the Strada.

Its Targa top is an ideal compromise between bad weather protection and fresh air, sun-filled motoring in summertime. The rigid, plastics roof is released by undoing a pair of clips and is then lifted off for stowing under the front bonnet, where it fits above the luggage. Women owners might find it a little heavy to handle. With the roof panel in place, you would never know the X1/9 was not a permanently closed car. If only British Leyland had been as enterprising with components from the Austin/Morris 1300 there could have been an attractive successor to the now geriatric MG Midget.

With the engine just behind the seats, there is so much mechanical clamour inside the X1/9 at motorway speeds that the radio is impossible to listen to. It is a lively little car, with a 0-60 mph acceleration time of about 12 seconds and a claimed maximum of 105 mph, which puts it almost exactly on a par with the MGB. The gearshift is light but rather flabby and I sometimes had trouble getting first at a standstill, partly because the clutch pedal has a very long travel and has to be pushed right down to the floor.

Gearing is fairly low at 20 mph per 1,000 rpm in fifth. The engine is so flexible that the overall gearing could be raised with advantage. It would cut noise on the motorway, on which the X1/9 is willing to be cruised at a genuine 90-95 mph, and would further improve the fuel consumption. Even so, a discreetly driven X1/9 will do considerably better than 30 mpg.

The body is nicely rigid, with none of the scuttle shake that sometimes plagues convertibles. With the roof off and side windows up, there is very little draught.

The ride is soft, at any rate at the front and the X1/9 is comfortable over most surfaces, though you do hear and feel the rear tyres bumping and thumping away. After all, they are uncommonly near your bottom. Apart from the front boot, there is a case-sized cubbyhole behind the engine compartment. Inside the car there is nowhere to stow anything larger than a packet of cigarettes when both seats are occupied.

The X1/9, alas, is not for family men. Fiat's bid for those buyers who have children and mothers-in-law to transport but who like to get a move on is the Mirafiori Sport TC 2000. This is a two-door 131 saloon with a 2-litre, twin overhead camshaft engine based on that used in the Fiat 132 and Lancia Beta 2000, but producing a healthy 115 horsepower at 5,800 rpm.

Though not inflexible or temperamental, it is a less than happy car in traffic. The clutch is heavy, the gearshift stiff and notchy, and the steering demands a lot of effort at low speeds and especially when parking. But it is most entertaining when it can be given its head. From a standing start, the Sport TC 2000 will out-accelerate a 3.4 Jaguar.

Keeping revs. on the red line at 6,000 rpm, second gear shows over 50 mph, third 70 mph-plus and fourth exactly 100 mph, at which the window in the driving door of my test car was starting to be sucked out of its frame and make a lot of wind roar. Downhill, the slightly optimistic speedometer will show 120 mph in fifth. This is a genuine 115 mph. Although the engine is clearly working hard, one does not get the impression that lumps of hot metal are about to burst through the bonnet. Used reasonably, fuel consumption on a trip is around 25 mpg.

Roadholding and handling, due to the firmly damped, live rear axle suspension and ultra-low profile Pirelli P6 tyres, are decidedly sporting. The car feels nervously obedient when driven hard and always completely in hand, regardless of weather or road surface. The ride, which is rather joggly in town, smooths out nicely as speed rises.

Prices are £5,323 for the X1/9 and £5,448 for the Sport TC 2000. Like all Fiats, they have quite elaborate radios as standard.

Preventing deflation

New car buyers in future could find the dealer asking them if they want to have the tyres puncture proofed before they take delivery. An American product called Stop-a-Flat is being promoted in Britain. It is a synthetic rubber latex mixed with fibres that is pumped into the tyre through the valve stem. A nail penetrating the tread will not cause air loss because the Stop-a-Flat will flow into the hole and seal it up. But it will not help if your tyre blows out due to major damage.

At £40 plus VAT for treating five tyres on a typical family car Stop-a-Flat strikes me as very expensive. Nor would I be entirely happy with the thought that after getting a puncture, all that stood between me and a potentially rapid deflation was a thin column of latex and fibres. The promoters, however, say that the product has a three-year record of success in the States and that buyers get a warranty anyway.

The approved method of repairing penetrations in Britain is to remove the tyre from the wheel and have a solid plug of rubber vulcanised into position. Anyone really worried about punctures might find Dunlop's latest Denovo 2 a better bet. A set of four costs from £45 for the Fiat 126 and £49 for the Mini Clubman to £70 for the Fiat 131 and £99 for the new Rovers and Princess.

TRAVEL

hetland sortie

B. A. YOUNG

: COUNTRY seems to be :terised rather by the :r than by the height of ıls: but the nakedness of surface, which not a tree ırub interposes to conceal, ; every chilling idea that ıave been preconceived in ind of Hyperborean deso- "

t is Dr. Samuel Hibbert in in his *Description of the nd Islands*, and my first ıts on a short visit were the same. Most Shetland ape shows a horizon of reen and brown hills, bare ounded. The tallest, Ronas s only 1,475 feet high. I ne copse of small, twisted ores and gnarled pines. vise the flora consists of heather and occasional wildflowers. In the winter eep graze on seaweed.

the Shetland Tourist ısation boldly calls the ; "the *natural* holiday ." They're right: there no discos, no heated ıing-pools, no casinos, one ı (showing an old Western ; passed). But the country is magnetic; there is un- led fishing; bird-watchers o crazy; there are even ological sites dating back Bronze Age and before.

"Hyperborean desola- is an illusion, for where- ou are in Shetland you are on the sea. Shetland the Shetlands," they in- ontains about 100 islands. only 19 are inhabited, by seals and sea-birds. are some 3,000 miles of ne, the Atlantic on one ne North Sea on the other. in the road at Mavis —a short "i," please—and an throw a stone into The latitude is that of rad, or of Anchorage, , but the Gulf Stream ıtes the climate. It's the salt-laden winds that ne trees down.

coast varies from high, cliffs to smooth white From Esha Ness you can little island, Dore Holm. the ceaseless battering of lantic waves has knocked ddle away and left a kind ıral flying buttress stick- t at one side. Fountains te spume spirt up con- around the sea-girt rocks. n inland, and you are on ftest, springiest turf I ever felt: "Fairies joy in the soil," quote Dr. Hibbert, who was similarly impressed.

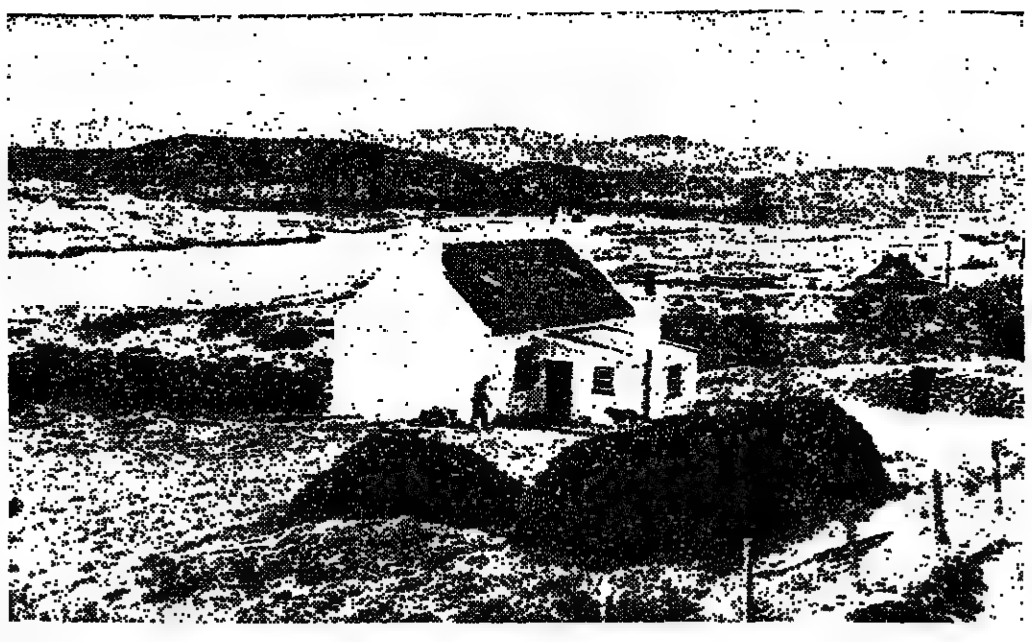
There is an interesting spit of sand joining the mainland with St. Ninian's Isle on the west. Walking across (tide permitting!), you get the odd effect of a beach with the sea on both sides. Big rollers wash the sand from Bigton Wick on the north; 20 yards away, similar rollers come in from St. Ninian's Bay on the south.

On St. Ninian's, students investigating an ancient church some years ago found below its foundations an even older chapel, in which lay a priceless store of Celtic silver, buried no doubt to hide it from the Vikings. The silver is now in Edinburgh, but there are replicas to be seen in Lerwick, Shetland's capital. The party not only found this chapel, but an older, pre-Norse church and a Bronze Age burial ground.

There are more interesting Bronze Age remains at Sumburgh, close by the islands' main airport at the foot of the south mainland. Like Troy, this site has been inhabited by six successive societies — Neolithic, Bronze Age, Iron Age, Viking, medieval and 16th century—who have all left their evidence behind them. It is superby displayed, both on the site and in the little museum nestling under the ruined 16th-century farmhouse to which Scot gave the name Jarlshof.

There is even older history in the brochs, primitive defence works like dry-stone-built Martello towers. The best preserved is on the isle of Mousa, off the east coast; its 12-foot-thick walls, that contain staircases and galleries, still stand 40 ft high after 3,000 years. Mousa is also a good place for seals, though there are seals all round Shetland, lying in absurdly uncomfortable attitudes on the sharp rocks. They tend to tumble back into the sea when you approach; but there is a cottage on the isle of Burra where a seal is is reputed to flop up from the sea twice a day begging for food.

As for birds, Shetland is a bird-watcher's elysium. I asked my friend from the Tourist Organisation where to see a puffin, and he found one at once in the cliffs by Sumburgh lighthouse, perched on the cliff face and fluttering its wings like a moth just out of the chrysalis. The puffin is known locally as "Tammie Noorie." The Arctic skua is "Scootie Alan." The great skua is the "bonxie," and it has an alarming way of diving at you if it thinks you are making for its nest. The steep-cliffed island of Noss, east of Lerwick, is a bird sanctuary, but visitors can go there if the warden is on duty.



A typical croft at Balallan, Isle of Lewis

The islands are full of curiosities. At Scalloway, the former capital, there is a castle built by Earl Patrick Stewart, bastard half-brother of Mary Queen of Scots, who tried to turn the sturdily independent Shetlanders (their loyalty half given to Denmark, to whom the islands belonged until the end of the 15th century) into a feudal society. He rightly ended on the block. There are local crafts too, not only the Shetland knitwear one knows about, but pretty jewellery of local stones polished and mounted in silver.

There is also the oil industry, *of course, but from the visitor's* point of view the best thing about this is the discretion with which it is kept out of sight. I led to the site of the oil-spill in Sullom Voe, and I am prepared to swear there was no trace of oil remaining. Though if there had been, no doubt I should have been led somewhere else.

For active visitors, there is great fishing, both in the lochs and the sea. The lochs are stocked with brown trout, and a permit costs £2 a day. Sea-angling is free; you can hire a boat for about £30 a day, with tackle and bait. Shark, skate and halibut of record weights have been taken in Shetland waters. Sailing is dodgy for newcomers; sunken rocks stud the sea bottom. There is an 18-hole golf course near Lerwick. On June 19 they hold the midnight golf competion, for that night lasts only about 20 minutes. (In midwinter, it lasts 17 hours.)

Roads are excellent, and there are ample self-drive hire firms. Accommodation is another thing. There is no shortage, but accommodation is taken on a big scale at present by the oil development companies; in one new hotel, for example, nine rooms were booked for 18 months before it even opened. So booking must be done well ahead; and of course on the roads you do not encounter a petrol station all that often.

Besides the hotels, there is plenty of room in boarding houses and bed-and-breakfast places. The Shetland Tourist Organisation keeps a list of every kind of accommodation, and undertakes to book it. Some of the small cottages are extremely attractive.

There is a frequent service by air to Sumburgh airport. There is also the P and O Ferries mv St. Clair, with a drive-on, drive-off car-deck, sailing from Aberdeen twice a week in the summer and returning two days later. Sailing time is 14 hours, starting (either way) at 6 pm and arriving at 8 am next day.

The St. Clair will provide a two-berth or four-berth cabin, a reclining seat or simply room in the lounge. Dinner and breakfast are served in the dining saloon, where you serve yourself ad lib, or you can have less elaborate meals at the snack bar. There is a licensed bar that seems to stay open all night, and in the lounge a two-piece group, The Bookends, plays very un-Scottish music to dance to. There are one-armed bandits, on which I won enough to pay for my drinks.

P and O Ferries run Mini-Cruises in conjunction with the regular services, leaving Aberdeen on Mondays and Thursdays, returning the following Thursdays and Sundays, so giving two full days on the islands, where coach tours and so on are available. There are also larger package holidays in the summer, giving eight or nine days in Shetland.

Inquiries for the ferry services should be made at P and O Ferries Customer Services, Beaufort House, St. Botolph Street, London EC3A 7DX. Bookings at P and O Ferries Orkney and Shetland Services, PO Box 5, P and O Ferries' Terminal, Jamieson's Quay, Aberdeen AB9 8DL.

The Shetland Tourist Organisation, which will handle almost everything on the islands, including booking accommodation, is at: Shetland Tourist Organisation, Information Centre, Lerwick, Shetland ZE1 0LL.

Dorset delights

BY PAUL MARTIN

LONG BEFORE the motorway era, the ritual question "shall we take the Ilminster-Ilchester or the Shaftesbury-Sherborne road?" preceded many family summer holidays in Cornwall. To-day, when the seasonal lemming-like rush to the West Country hurtles down the M4, Dorset has been left in peace and Hardy would not be too shocked were he to return to his Dorchester/Casterbridge haunts.

Dorset is a crumpled county, with hills running in seemingly all directions and narrow winding lanes leading to villages with improbable names—oh to live in Fifehead Neville or Winfrith Newburgh.

Much of the coastline is virtually uninhabited and any development has been restricted to four main areas. Christchurch and Bournemouth, relative newcomers to the county, are major resorts with fine hotels and plenty of entertainment in summer. Tucktonia, near Christchurch, is a kind of British Isles in miniature complete with a Cornish fishing village, the main buildings in London, an airport with aircraft taxi-ing and an intricate network of railways and motorways running throughout the site.

From Swanage, westwards to Weymouth, the fossil-strewn coast is left to the coastal footpath except for the camping facilities at Durdle Door with its famous rock arch. Weymouth, on its fine sandy, sheltered bay, is an ideal family resort with plenty of sailing and some fine Georgian and Tudor houses.

At the western end of that oddly-formed Chesil Beach the attractive small, thatched village of Abbotsbury is famous for the swannery which opens in May and the sub-tropical gardens with over 400 varieties of camelias which can be visited until September.

The only blots on this otherwise unblemished coast before you reach Lyme Regis are West Bay and Burton Bradstock, packed with caravans and camping sites but at least they are confined to a relatively small area.

Lyme Regis, with its streets descending steeply to the Cobb, or sea wall, has a compact centre with the main hotels sited on the upper road, overlooking the small pleasure harbour. I stayed at The Buena Vista, a member of Inter-Hotels, where the gardens lead down to the esplanade. The dining-room has superb views over the sea and the atmosphere is friendly and welcoming.

The beach, West Bay

Open virtually year-round, a week-end or a 2-night stay with demi-pension in a double room with bath/shower costs £22 per person with additional days at £11 from the end of September.

For wet days the County Museum in Dorchester, covering Dorset's history and wild life, is a life-saver where you can lose the whole family for hours on end. The Thomas Hardy collection includes a reconstruction of his study at Max Gate with many of his personal possessions. There is also an excellent and easily understood history of the oddly-shaped Maiden Castle, just outside the town, first occupied during the Stone Age.

The Tank Museum at Bovington, well signposted from Wool, is a must for fathers and small boys with exhibits from many countries and dating from both World Wars housed in a vast hangar-like building. Entrance and car parking are free.

*Heading north from the tank-*scarred area around Bovington, I drove through Tolpuddle of martyr fame and Milton Abbas, an unusual single-street village, where all the thatched cottages appear identical.

Sherborne is one of Dorset's main assets. What a joy to walk and shop in no mundane High Street but in Cheap Street, with a minimum of chain stores but proper shops. Gunsmiths, saddlers and a mini Fortnum and Masons, Mould and Edwards, where you taste the cheese before purchasing some tangy *Dorset Blue*, but, *alas, sans* Vinny. The George, at the top of the town, serves excellent bar snacks for lunch.

The jewel of Sherborne is the Abbey church. Unfortunately, like so many of our historic buildings, it is swathed in scaffolding but nothing can diminish the magnificence of the interior with its delicate fan vaulting. There is also some marvellous glass engraving in the Lady Chapel with a reredos designed by Laurence Whistler.

Whistler was also responsible for the exquisite apse windows in the small church of Saint Nicholas at Moreton, the burial place of T. E. Lawrence. His tiny, isolated cottage at nearby Clouds Hill seems to perfectly reflect the engima of the man we know as Lawrence of Arabia. National Trust property, it is open until the end of September on Wednesday, Thursday, Friday, Sunday and Bank Holiday Mondays from 2-5 pm and in winter on Sundays only.

I spent my last night at Wimborne Minster, a pleasant compact town dominated by the Minster with two square towers and the reputed burial place of Ethelred. The THF King's Head, on the square and faithfully reproduced in the Model Village, is a comfortable and well-appointed hotel and a full, no-nonsense English breakfast is included in the demi-pension tariff of £94.50 for a week's stay *until the end of September* in a twin room with bath. The hotel also features in THF's Autumn and Winter Bargain Breaks.

Dorset is different, not a county of bright lights and mass entertainment but rather the quintessence of the English countryside and long may it remain so.

ADDRESSES — Inter-Hotels, 29 Harrington Gardens, London SWY 4JT; Southern Tourist Board, The Old Town Hall, Leigh Road, Eastleigh, Hants SO5 4DE; Trust Houses Forte, Reservations Office, 71/5 Uxbridge Road, London W5 5SL; West Country Tourist Board, Trinity Court, Southernhay East, Exeter, Devon EX1 1QS.

SPORT

No trouble for powerhouse Borg

TENNIS
JOHN BARRETT

UNWRAPPING HIS most devastating form of the week, Bjorn Borg *smashed his way* into the last 16 of the men's singles at Wimbledon yesterday by crushing the American Hank Pfister 6—4, 6—1, 6—3 in 91 minutes.

Borg has been suffering from a strained left leg, sustained in his opening match against Tom Gorman on Monday, and Pfister must have wondered what on earth would have happened to him had Borg been fully fit.

The Wimbledon champion, showing no more outward sign of distress than he ever does, solved the problem of how to deal with the 25-year-old Californian's bullet-like serve by simply hitting it back harder than it came at him.

In their previous two meetings, both best-of-three set matches, Pfister had managed to take a set off the 23-year-old Swede but yesterday there was never the remotest possibility of this happening as Borg's returns of Pfister's serve whistled back like guided missiles.

At one stage of the match Pfister shook his head wearily and muttered to himself "Just incredible."

The opening game went to five deuces and lasted eight minutes before Pfister managed to hold. It was an indication of the trouble he was going to have throughout the match. In contrast, Borg's five service games in that opening set cost him a total of four points.

A break in the seventh game was all Borg needed to get a set up and it was achieved with an inch perfect lob which left even the tall Pfister hopelessly stranded.

In a one-sided second set Pfister's service crumbled against Borg's punishing returns, and though Borg was foot faulted once there was very little other occasion when he could be faulted on anything in this majestic form. Three times out of four Pfister lost his serve and the set was over in only 23 minutes.

When Borg surged to a 3—0 lead in the third set he had captured 10 games out of the last 11 and though Pfister managed to give the scoreline a more respectable look, and indeed even managed to achieve his lone service break of the match in the fifth game, the champion moved impressively and imperturbably as ever to victory.

The third seed, Jimmy Connors, was troubled only a little more than Borg in thrusting aside the challenge of the South African No. 1 Johan Kriek 6—4, 6—1, 7—6, but easily the most entertaining men's match of the afternoon saw Britain's Mark Cox defeat the 21-year-old Frenchman Gilles Moretton 3—6, 6—7, 6—1, 7—6, 7—5 in 3½ hours.

In a pulsating final set Cox saved six match points and Moretton saved four before finally a Cox forehand down the line was called in, leaving Cox the winner against a clearly unhappy opponent who thought it had fallen out.

The women's competition moved into the last 16 calmly and free of shocks. The defending champion Martina Navratilova comfortably defeated Rosie Casals 6—3, 6—3, the No. 2 seed Chris Evert Lloyd conceded only one more game in defeating Kathy Teacher 6—4, 6—3 and the 16-year-old Tracy Austin had no problems against Bettyann Stuart winning 6—2, 6—3.

Typically, Virgina Wade, seeded fifth suffered a wobble or two before overcoming the German No. 1 Sylvia Hanika 6—3, 7—6 on No. 2 court, where some famous names have suffered over the past few days.

The 19-year-old Miss Hanika, a losing finalist to Miss Austin in the Italian championships, provided a nervy Miss Wade with comfort by playing even more erratically than the British girl. Twice she double faulted to lose her service and a spurt of nine points in a row took Miss Wade to within comfortable range of the first set which she proceeded to win in half an hour.

The second set was an astonishing affair, as Miss Wade first fell 0—2 behind, levelled at 2—2, trailed 2—4 and at 4—5 needed to save no fewer than six set points.

Once more this see-saw set swung right round again and with Miss Wade leading 6—5 it was the German's turn to salvage three match points and take the contest to a tie break, only for Miss Wade to win that easily by 7 points to 1.


The favourites steam on: Borg, Connors and Navratilova.


McEnroe: the threat.


Tracy Austin (U.S.), the number four seed, swept to a two set 6-2, 6-3 victory over fellow American Betty Ann Stuart in the women's singles yesterday.

A Russian car maker is on its way to making useful capitalistic profit from an investment in golf sponsorship

Soft-selling and hard words at the Belfry

GOLF
ROGER PAUL

IT IS possibly not every day that a car made on the banks of the Volga River, 600 miles *south-east* of Moscow, becomes the inspiration for a golf tournament played right in the middle of Britain's vehicle building industry.

But this week Lada Cars is providing something like £55,000 to support the English golf Classic played at the Belfry, near Sutton Coldfield—itself situated roughly half way between the motorised outpourings of Coventry and Birmingham.

The tournament is multi-sponsored, with a total cost of around £150,000 being met by contributions from many smaller sponsors. But in terms of publicity Lada is clearly the main beneficiary, and is delighted with the deal it has got.

Lada is in business to sell Russian-made cars to the British public, and they are already in the top 10 of imported cars in the British market. The cars come from a town called Togliatti, which both sounds and is *an Italian name*. This is so because Lada borrowed heavily from Fiat expertise when setting up their factory, and in consequence named the town after the chairman of the Italian Communist Party, Sig. Guido Togliatti. The place used to be called Stavropol.

However, Lada intends that its cars will both capture and keep a portion of the British market, and has launched a £500,000 marketing campaign on television. This tournament is extra to that commitment, and already it looks a bargain.

Lada appears on both sides of the smocks worn by the Caddies, it appears on the flags fluttering above the pins, on the banners around the course, in the five second fade-out on each TV transmission and in the three second title sequence after the commercial break.

As there is a total of 15 hours of television, Lada estimates that there will be at least 15 minutes when the name Lada is actually on the screen, not to mention the sublimnal effect of the viewers *knowing that they* are watching the Lada English Gold classic. That kind of exposure would cost them around £150,000 at peak times, not to mention the £40,000 which the commercial cost them to make in the first place. Or indeed to mention the coverage of the tournament itself in every major British newspaper.

Multi-sponsorship of this kind is very much a part of the thinking behind the European tour, and while this tournament has been a success, it would seem that when the package offered includes television then a better deal could be driven.

Certainly some of the players seem to think that this is a week when they should be paid danger money. There is, they say, a danger of breaking your wrist by playing a ball off some of the harder parts of the course, which is predominantly clay-based. Brian Barnes, never a man to mince his words, says that the course was not fit for a tournament to be played upon it now, nor would it be in 30 years' time. He went on to say that in his opinion, regardless of the 79 he had just scored, the thought of the Ryder Cup being played here in 1981 should not be entertained.

Mark James, another man of definite opinions, proffered the thought that the course would not be ready for "the Lincolnshire Ladies Alliance" let alone the Ryder Cup.

These are serious allegations, for The Belfry is the home of the National Professional Golfers Association, and both the course and the headquarters are supposed to be a showpiece. Unfortunately, there is more than a crumb of truth in what is being said. The course is hard, it is cracked in places and it does need a lot of top soil. But of course top soil is an expensive commodity, particularly in the quantities that would be needed for the Brabazon course, not to mention other 18 hole courses in the complex, the Derby.

The PGA and The Belfry Hotel, who worked in tandem, have a problem which must be overcome if they are to get the best out of what is a marvellous design and lay-out by Dave Thomas, the course architect.

The players were allowed to pick and place within a club length and while Barnes thought was demeaning, Rodger Davis, the Australian took advantage of it to score a first round 69. Despite a colder day, with a more biting breeze, he managed a one over par 73 for his second round and, at two under par, the danger of an overseas win grows apace. Davis is an experienced golfer, with eight tournament wins to his credit in Australia.

He has also beaten Gary Player in a play-off for the Victorian Open, but as the little South African has won only three out of 12 such confrontations, not too much can be read into that.

He dropped three shots early in his round, but birdies at the 16th and 17th testified to a good temperament.

The early British challenge was being led by 21-year-old Sandy Lyle, with a two under par 70 which left him with a two-round total of 146. Lyle had three birdies in a round which he did not drop a shot until the last, where he three putted.


Gordon Greenidge (West Indies) cuts England's Mike Hendrick for four at Lords.

Finding the openers is the task

CRICKET
TREVOR BAILEY

ANY GOOD player with a sound technique, the right temperament and the ability to cope with fast bowling and the new ball should aim to become an opening batsman. It is the best place, with advantages that more than offset the disadvantages.

The opener has the first chance to capitalise on batting on a *placid pitch and, in normal* circumstances has plenty of time to settle down. In the early stages the field will normally be very attacking and, though this could bring his downfall, it also means that there are plenty of runs to be had without having to take chances. In other words, he is able to build an innings at a tempo which suits him, and his main objective in a Test is to provide his team with the solid foundation for a large total.

On a bad or sticky wicket he arrives at the crease while the pitch is still under the calming influence of the roller, so that he is able to settle before the ball starts to behave unpleasantly. In the limited overs game the opener still has the opportunity to have a look at the bowling before playing his strokes, a luxury often denied to his colleagues later in the order.

It is significant that they so often achieve the highest aggregates in one day domestic cricket.

However, in this form of the game, although a solid foundation is important, I believe that if the opening pair go too slowly at the start and then fail to take their sufficient toll off the *fourth and fifth bowlers* when they are introduced, too much pressure is placed on their colleagues coming later. The all out slog with wickets in hand can work, but not always.

I once asked that exciting opener, Charlie Barnett what were his tactics when chasing a *large total against the clock* for Gloucestershire. He believed that if the asking rate for the whole innings was between four and five an over, he should aim to maintain that from the outset. He felt that he was more likely to achieve this than the late order batsmen, who were obviously not so talented.

There are disadvantages about opening the innings which I discovered when I was repeatedly pressed into the role as an emergency number one for England in Australia, the West Indies and South Africa.

First there is the very real threat from the new ball in the hands of international bowlers, all eagerly pressing for that vital early breakthrough. Secondly, it is hard, both *physically and mentally* opening after spending a day and three-quarters in the field, or trying to bat out for that last half hour—which always seemed so much longer—with little to gain in the matter of runs and everything to lose.

In my own case there were two other handicaps, being tired after a long bowl and obvious technical deficiencies, but if I had not been an all-rounder I would have loved to be an opener.

The ideal opening pair in a Test should consist of one high class player, who is able to blunt the initial attack without becoming becalmed, and then has the shots necessary to mount an assault later in the day. The West Indian, Gordon Greenidge provides a perfect example at the present time, a marvellous strokemaker, who makes every moment he spends at the crease count, but also possesses a fine defence. With a batsman, like Greenidge, his partner can afford to be less aggressive and take on the job of "sheet-anchor," someone in the Geoff Boycott mould, who will accumulate steadily over a long period of time, a natural accumulator, who acts as a foil to the faster scoring members of the side.

One of the problems confronting England is that both Geoff Boycott and Mike Brearley tend to graft for their runs and can become tied down, as happened last winter in Australia, while they are clearly not the right combination for limited overs cricket when the initial tempo *must be higher*.

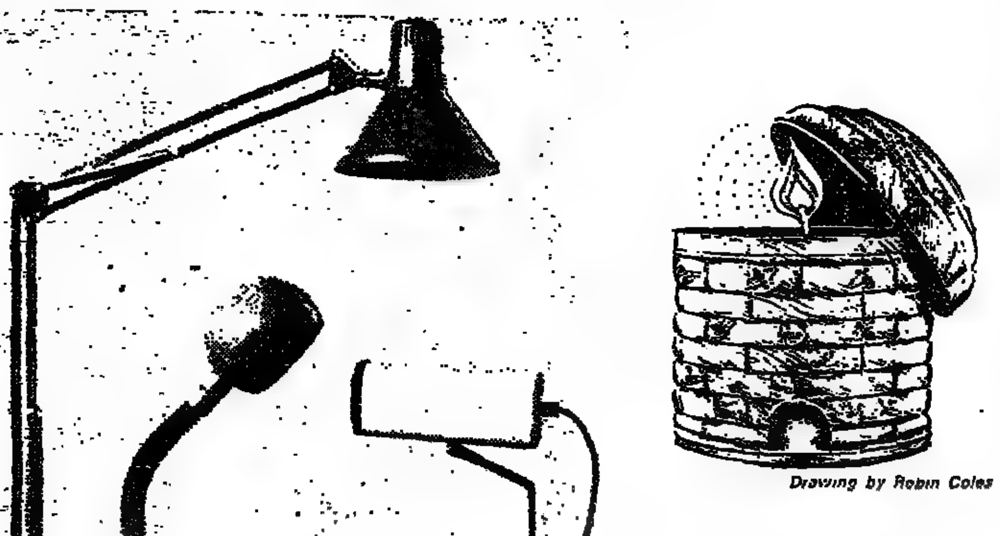
This leaves the selectors with a problem against India, who are unlikely to provide the England batting, unless the pitches take spin, with a bowling attack which will trouble it enough. Against India Boycott and Brearley could well be a very productive pair, but there must be some doubts about them next summer against the West Indies, and in Australia next winter, should the proposed tour, involving the Aussies, plus their Packer men, and the West Indies materialise.

In these circumstances a strong case could be made for opening with Graham Gooch, who has shown his liking for this position with Essex and has a wide range of attacking strokes.

HOW TO SPEND IT

by Lucia van der Post

ight on the matter



Drawing by Robin Coles

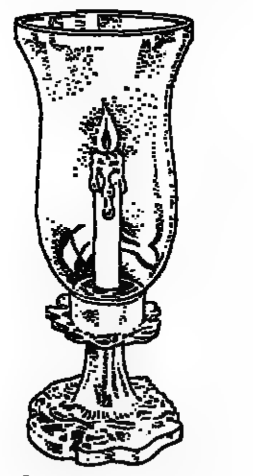
; or reading lamps are of utmost importance and paradoxically, are very :ult to track down. Deben- s stores seem to be loping their lighting rtments very nicely and : 50 of their stores now · them. Here are three reasonably-priced and working lights. Left is ring adjustable desk lamp a clamp for fixing it to aces like tables or shelves. :hite, red or brown, it is £7.50 (a free-standing version is £10.50).

In the middle is a flexi-necked adjustable reading lamp in ochre or sand. It is £8.50 and if you are doing up a whole room you might like to know that there are matching ceiling and wall lights as well.

On the right is an aluminium desk lamp in matt silver, matt gold or matt brown. The head is adjustable and the price is £8.50.

One idea for eating out-of-doors—a tin, shaped like a beehive and filled with yellow citronella scented wax. The citronella, of course, is for keeping away the insects and the manufacturers recommend that you only use it out-of-doors. The tin is some 5 inches high and splendidly round and fat so the candle should last for many hours. The tin of course can be used for other things once the candle is finished. It's on sale at Cucina, 4 Ladbroke Grove, London, W11, and 8 Englands Lane, London, NW3. It is £3.12 and Cucina will post it for 66p extra.

For dining out of doors this hurricane candlelight is ideal. It has a cast-aluminium base, painted white, and a glass protector for the candle. Its height from top to bottom is 12½ inches. You choose your own candle—to match your colour scheme if you mind about detail. Buy it from Room Outside, a charming shop specialising in everything for gardens, outdoor living, poolside living. It costs £12.88 and unfortunately is too fragile to post so it is for personal shoppers only. Room Outside is at Goodwood Gardens, Waterbeach, nr. Chichester, Sussex (tel. 024-353 593) and it's open all day from 9.30 to 5 from Tuesday up to and including Saturday.

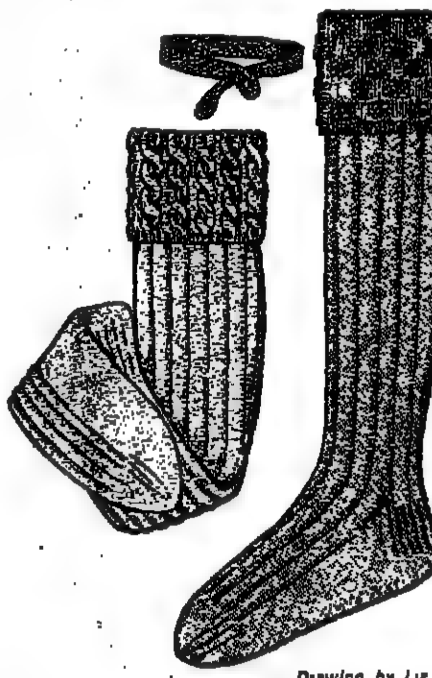


Drawing by Frank Wheeler

Travel with a tube

A singularly unattractive looking object, but obviously *eminently practical*, is the Supa Sippa. It is basically a tube, about 14 ins long, which has a hook for holding or fitting over ledges and a malleable plastic straw. Its great benefit is that it keeps all those noxious sticky drinks that children insist on drinking from spilling. The complete tube can be frozen with its contents which means that the gradual thaw on travelling should leave the drink relatively cool when the time comes to drink it. The tubes *come in three colours, red, blue* and green and they are 75p each (£1.05 after July 9) from W. H. Smith shops.

hooting socks



Drawing by Liz Gill

3E man in your life is of the hunting, ing and fishing sort Rosemary Macindoe very special shooting socks to order and would make a very special present. illy, I think they are so beautifully knitted I rather fancy them just for keeping my warm and they should certainly appeal kers and walkers as well as shooting . Miss Macindoe uses a mixture of about r cent wool and 20 per cent Viscose, as inds that 100 per cent wool tends to k. She does the socks in assorted rs and with plain tops or checked tops. 1 write to her at Flat K, 14 Sloane Court London SW3, enclosing a s.a.e., she will colour and pattern samples and explain standard sizes. So far her best single mer is Hambro's Bank—they've ordered 'en 25 and 30 pairs. Plain-topped socks 12, checked-topped ones are £14. Postage packing is 50p. She also knits garters any colours and these cost £1.50 (inc. a pair. As the grouse shooting n opens on the 12th August it might be 'nt to order them now.

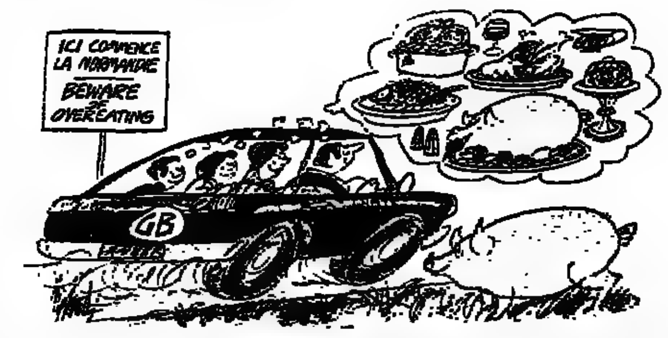
Leaf motif

Garden Crafts of 158 New Kings Road, London, SW6, is an old-established purveyor of garden accoutrements and it seems to have a very wide selection of things both useful and amusing for improving any garden, whether town or country. I particularly like this white-painted aluminium plant stand which is 41 inches high, has moveable arms and would look marvellous (when supporting lots of leafy plants) on balconies, patios, in conservatories or garden rooms (£50.22). There's a very similar reproduction Victorian plant stand, cheaper at £43.70, which doesn't have moveable arms but is just as pretty. If you happen to have a garden that would be enlivened by a temple. Garden Crafts has one that is made from fixed cast-stone columns with a wrought-iron dome (yours for just £1,230 plus 15 per-cent VAT).

Drawing by Frank Wheeler

When in France . . .

As the holiday season moves into full gear, in villas all over the Continent those British who prefer to cater for themselves will have the chance to explore *the mysteries of the local* markets and corner shops. For those who are planning to go to France, JUDY WHALE, who has been looking after husband, family and friends in their house near Deauville for many years, has garnered some invaluable local experience. . . .



"ICI COMMENCE la Normandie," reads the sign as we drive off the boat. Euphoria sets in as we indulge ourselves with the local goodies from the market that give Norman cooking its special character: thick, slightly sharp cream and fromage frais (you take your own jar), Pont l'Evêque, *Camembert* and corn-fed chickens. These are what Parisians take home with them.

The charcuteries look like banqueting-halls, especially on Sundays, and if you're bemused by the array you can ask for a taste. Our favourite is Galette Normande: a ham and mushroom mixture enclosed in pastry.

When we first acquired our house near Deauville 10 years ago I used not to budget much. Things are different now; but over the years I've learnt that you can still eat well if you shop around and take advantage of modestly priced local produce, with occasional splurges. And this is true all over France.

In our case, fish comes into its own. Mackerel, plaice (carrelet) and lemon sole (limande) are all cheap, and since they've come straight out of the sea they need only the simplest treatment. If you fillet them yourself rather than getting a free lesson while the fishmonger does it, keep the carcasses for a fishy Avgolemono soup.

Have a go at a Mediterranean-type fish soup, too, but stall-holders make it, even in Normandy: not cheap, but a litre jar goes a long way, and with grated cheese, cream and croûtons it saves you a meal out.

If you're baffled by unfamiliar fish, ask the stall-holder how to deal with it. I've learnt a lot from our local market sage, inevitably known as Madame Poisson.

Lotte, for example, ugliest and best of fish, looks like exposed muscle, but when cooked is firm and full of flavour. Madame Poisson advises baking it with tomatoes, onions, mushrooms, parsley, seasoning and a little white wine. (This technique suits whole daurade —sea-bream—and tunny steaks too.) A friend flames lotte in cognac, and my next-door neighbour grills it, cubed, en brochette, alternated with prawns and mushrooms.

Then there are all those vegetables. This is where you can really save money. We like Arabella Boxer's vegetable stew that adds green beans and *potatoes to a ratatouille mixture*, and then there's capocrata, a French way of combining tomatoes, green peppers, aubergines and celery with a head of fennel.

You can use blette (Swiss chard) spines, cooked and cut up, in a cheese sauce or a simple tomato one along with chopped gherkins and capers. Treat the leaves like spinach, particularly for a salade cuite: mix cream, lemon juice and seasoning into the cold cooked vegetable. Fromage frais, a cross between yogurt and cottage cheese, makes a splendid salad-dressing base too; and in vinaigrette you can economise by using half olive- and half sunflower-oil. You get the olive taste without the cost.

There are other dodges to help the budget, starting with what you should take with you: butter, cornflakes, marmalade, biscuits, chocolate, demerara sugar, and baked beans and squash if your children dote on them.

We shop at supermarkets for oil, wine vinegar and huge jars of mustard and gherkins. At the good ones—Codec is particularly high grade—I buy meat, dairy produce and greengrocery that Parisian friends have approved of.

But remember that what's cheap at home isn't always so in France. Mince is usually bifteck haché, which may make the best hamburgers you've ever tasted but produces a jolly expensive shepherd's pie. Pork is reasonable, though, and sausages (breadless) make a good supper baked in red wine.

Don't forget food for free: try young-dandelion salad, pick blackberries, coax mussels off the rocks, dig up cockles and go shrimping. All this also provides plenty of activity for the young —as do barbecues.

My quick contribution to *barbecues is sorrel sauce*: a handful of sorrel, cut into strips, melted in butter, with cream and seasoning, cooked hard until thick—ambrosia with chicken or fish.

Then there's cheat food. Knorr soups don't have the gelatinous quality of those sold over here, and there are some interesting kinds: pistou, pescadou, andalouse. Tins of Liebig gazpacho are excellent, if dear.

Don't sniff at other tins either: maquereaux au vin blanc are very acceptable, salsifis is fine in cheese sauce (you could cheat further and use a packet). lentils are good hot and also as a salad with lots of chopped onion and a mustardy vinaigrette.

Puddings are simple: fromage frais on its own with sugar or plus fruit; peaches sliced into large glasses, sprinkled with sugar and just covered with red or white wine. (Eat them soon afterwards, though.) Straw*berries respond* well to port; bananas to calvados, sugar and cream. There's also mont blanc —sweet chestnut purée set off by that sharp cream.

But if we really want a blow-out, and I'm in the mood to spend time on it, I do my unclassic version of Sole Normande. It uses any kind of flat fish fillets (plaice is ideal) and varying accompaniments; I call it:

Filets de poisson à la Villersoise (for 4)

Eight single or 4 double fillets of flat fish; ½ small onion, chopped; one-sixth of a litre of dry white wine (plus a little extra for mussel-opening); ½ litre mussels (or cockles, clams or even squid); 125g large peeled shrimps, prawns or crayfish; 8 whole prawns; 125g button mushrooms; 2 egg yolks; 150g cream.

Open the mussels in white wine over high heat, remove *from their shells and reserve* them, straining the liquor into a small heavy saucepan. (Treat similar shellfish in the same way; cook cut-up squid in butter.) Cook the mushrooms quickly in butter, drain them and add their juice to the mussel liquid. Peel the whole prawns' tails, but leave their heads on. Beat the egg yolks with the cream.

Butter a large oven dish, lay the skinned fillets in it and dot with butter. Cover with white wine and heat gently to simmering-point on top of the cooker. Then put them in a preheated 350 F (180 C, gas mark 3) oven and cook, covered, for about 10 minutes, until just firm.

Carefully drain the liquid from the fillets into the saucepan and keep them warm. Now add the onion to the collected liquor and reduce like mad to less than half. While you're doing this, gently heat the *shrimps and prawns*, mussels (or whatever) and mushrooms in three different small saucepans. Strain the reduced liquid into the egg and cream mixture, discarding the onion; season, return to the pan and cook gently until thickened. Add the mushrooms, pour sauce over the fillets, arrange the shrimps and mussels round the edge and decorate with whole prawns. Serve with plain little potatoes or spinach. Bon appétit.

Postscript

In last week's recipe for mushroom stalk and basil soup the quantities for the mushroom stalks were left out—many apologies. Readers who are longing to make the soup might like to make a note that the stalks from 2 lbs of mushrooms are about the right amount. Julie Hamilton, our cookery writer, recommends that the mushroom caps be tossed in butter and put in the freezer *(unless, that is, you have some* immediate use for them).

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Readers who were interested in Buyers and Sellers' special offer of Candy 290 dishwashers last week might be interested to know that whereas on most Saturdays something like four or five dishwashers are sold, last week well over 100 were sold.

Although the special one-day offer of a cost-price slightly scratched Candy 290 no longer stands the two stores at 120/122 Ladbroke Grove, London, W.10 and 72, Uxbridge Road, London, W.12 still have many other models at reduced prices on sale.

●

ONE OF the problems with accumulating possessions, as most of us tend to do as we go through life, is that they become more and more of a worry. Going on holiday for us used to pose an endless series of problems over things like house plants, the dog, burglars, what would happen if the pipes burst and so on. We've solved some of the worries by a combination of a burglar alarm system (the Bunch system I wrote about over a year ago) and a series of house-sitters. However, not everybody knows somebody who can house-sit just at the required time but a firm called Home-minders aim to provide a kind of houseminding service.

They will do almost anything you want done while you are away—they will water the *plants, feed the cat, forward the* mail, stock the fridge, turn the heating on or off, check the pipes, organise the dry-cleaning, be in for delivery services—you name it, they'll do it. They don't actually provide house-sitters (i.e. people who live in permanently) but almost *anything* else they can cope with.

They find that most of their clients on a fortnight's holiday want them to call in three or four times, mainly to water the plants, feed the cats and keep a general eye on things. The charge for this would be about £25—not much when added on to the total holiday cost.

However, because the service they offer is so individual it's impossible to quote exact prices —if you think they could provide what you need ring them on 01-937 5955. Their address is 28 Launceston Place, London, W.8.

BOOKS

Proconsul who waited for power

BY C. P. SNOW

Milner by Terence H. O'Brien. Constable. £10.00, 447 pages

People walk a little taller if they feel part of something grander than themselves. The something may be, to external eyes, absurd. Never mind. Just visit a town whose football team has won the F.A. Cup. Some modest lives in this country were once given bursts of pride because they were members of the British Empire. How many were buoyed up like that, we don't know, and have no means of knowing. There were plenty, though, who liked looking at a map which had large expanses coloured red.

For how many years did that last? Not long. Our Empire was shorter lived than most. The publicists gave encouragement that it was going on for ever. Kipling had deep prophetic intuition, and *Recessional* was the anthem of an Empire already in decline.

Yet it is no use being wise with hindsight. To many intelligent contemporaries of Kipling, it didn't seem in the least like that. At the turn of the century, it wasn't uncommon to take the Empire for granted. This was true on the left as well as on the right. Some of the best minds in the Liberal party (and the country hasn't had many better minds in politics) were dedicated Imperialists. So were *some of the brightest stars of* the radical intelligentsia. There was a strong imperialist element in the Fabian Society. Beatrice Webb and H. G. Wells were neither of them especially prone to admiration, but both admired Alfred Milner.

Milner was the ablest, and in many ways the most impressive, of those who made the Empire their cardinal mission in politics. He is worth studying with respect—and with a speculation as to what a young Milner would do now. Probably a potential young Milner would scarcely have heard of the original. That is one of the injustices of fame. This book of Terence O'Brien is an attempt to put the record straight. It is exceptionally thorough, steady rather than sparkling, conscientious, knowledgeable about English governing society 1890-1920, which was when Milner was a major presence. It needs a bit of digging into, but O'Brien has probably discovered nearly everything of significance about Milner's life.

He was prepared to wait years before he got anywhere near an adequate field of operation. In the 19th-century fashion, he did unspectacular jobs, private secretary to politicians, miscellaneous journalism. It was apparent to some observers that he had the making of a superb administrator. His kind of intellect, industry, practical sense, mixture of ironic charm and strong will, all worked together. And in due course he became *one of the best administrators* of his time. Rather more surprising, he also exhibited a singular financial flair. He was indifferent to money, except that later on he wanted to make himself independent of anyone's good will and, for that, some money was necessary. Anyway, he understood it, and that was a useful talent for one whose obsessive task in life was to bind an Empire together.

Until he fulfilled that duty, or enough of it, he couldn't rest. He certainly couldn't marry. That is not to be misunderstood. He was no Cecil Rhodes, and he didn't indulge in excesses of chastity. With his usual competence, he had a mistress unpretentiously stowed away.

He had to do his job. He was intellectually a highly sophisticated man, but he didn't doubt that the British system of government, the common law, the language, the literature, the comparative decency, ought to be spread all over the world. His Empire meant the white Empire, with India as an appendage. He was unselfconscious about talking of the duties of the British race, though by race he didn't mean what a modern politician does.

It wasn't either a lucky or a privileged life. Social mobility didn't start with the Welfare State. It may have been easier for someone of Milner's independence and intellectual talent to get to the top of national affairs in 1900 than it would be now. His father was a member of an English family long settled in Wurtemburg. One of Milner's grandmothers was German, a fact which was duly *utilised by his enemies*. Some of his early education was in a German gymnasium, and he was bi-lingual—that also was a matter for suspicion.

His father was a remarkably unsuccessful doctor. There was very little money, though the odd £50 was sometimes produced to help with his English education. His mother died, his father married again and lived in Germany, and Milner was, at 15, left alone, except for a woman cousin ten years older whom he had to cherish and who became an alcoholic. Milner's will was stronger than his physique, but he made his way. He went to King's College, London, still under 16. King's taught him well for a couple of years and then generously passed him on to Balliol.

He was an academic flyer from the start. In the 1870s, that meant doing Mods and Greats and a succession of examinations for University prizes. Milner went over those hurdles with supreme competence, though he got tired of them. The academic life would have embraced him, but he wanted none of it. Jowett at Balliol was making sure that men like Milner should get to high positions in the State. That was precisely Milner's idea too.

Milner was making his plans a hundred years ago (he was born in 1854). Today a young man of his talents would feel embarrassed to say that he wanted, above all, to serve the country. Milner, adding the Empire, could have said just that. *And he could have* thought to himself that he was certain he could do it better than most men and that he proposed to be at the centre of things. He wasn't modest though he was quiet and unassuming. He seems to have impressed others without effort. A kind of undemonstrative confidence must have been radiating from below the surface. He wasn't a good speaker, and he had none of the histrionic gifts. He knew himself well, and he decided early that he wasn't equipped to be a popular leader. But he had major gifts of private persuasion. On paper he sounds more austere than he was. In fact he was at his happiest, and could exert a sort of hypnotic influence, when giving small dinner parties in clubs. He was unusually kind in personal matters for a man of high affairs, and abnormally free with money when he had any.

He had splendid gifts, but political intuition, or foresight, was not one of them. That mission of his was flatly impossible. It attracted some of the cleverest and most idealistic young men of the day. But it just wasn't on. Still, the jobs, the tasks, the reverence duly accrued to Milner. After waiting patiently until his mid-30s, he duly got planted at the centre of things. He took a hand, and an effective one, in governing Egypt. He was invited to become head of the Treasury. He did become chairman of the Inland Revenue. None of that satisfied his deepest *passion. Then he was invited to* be High Commissioner of South Africa—with the Boer War looming ahead. That was more like it. It was then that he became the Milner who for a time became something of a myth. It was in certain ways a forbidding myth. He was driven by the logic of a realistic and in the narrow sense—an unpolitical mind. If you were going to hold the Empire together, you needed troops. Hence conscription. That wasn't popular with the politicians nor the soldiers. If you were going to hold the Empire together, you couldn't afford to have splinters flying off. Hence no concessions to Afrikaners—nor to the Catholic Irish. By this process of historical necessity, he became one of the obdurate defenders of Protestant Ulster.

None of the political parties of the period satisfied him. In domestic matters he had no use for *laissez-faire*, and had strong sympathies with various kinds of dirigiste socialism. Yet the dynamics of necessity drove him, more and more insistently, towards the far Right.

He made a good end, though. His last major job was also his greatest and his least controversial. As by now Milner was the most formidable leader of Conservative opinion, Lloyd George wanted him in his 1916 Government. Further, Lloyd George knew high capacity when he saw it. Milner wouldn't have accepted unless he was invited in at the very top. With prescience Lloyd George did just that. The proud incorruptible Milner was brought into the tiny War Cabinet, one of five.

There he was at his most valuable. Lloyd George wanted someone to look after home affairs. His own administrative efforts were always slapdash, and anyway he had other things to do. So Milner did very much the job that John Anderson did for Churchill in the second world war. Milner did it with his nonpareil efficiency. With a pleasant irony, it was nowhere near the work he had set himself as the justification of his life, but it was the best he ever did.

Alfred Milner: a new life of the statesman is reviewed today

Fiction

Berger's peasants

By ISABEL QUIGLY

Pig Earth by John Berger. Writers and Readers Publishing Co-operative, £4.95. 213 pages

The Egghead Republic by Arno Schmidt. Translated from the German by Michael Horovitz. Marion Boyars, £5.95. 164 pages

London Irish by John Broderick. Barrie and Jenkins, £4.95. 218 pages

I'm not sure how neatly John Berger's new book fits my column, but neatness isn't a property of current fiction, which overflows into other genres and even disciplines. *Pig Earth* is the first volume of a trilogy in which Berger means to examine the threat to the world's peasantry, a class of survivors he believes may not survive much longer. Certainly Western Europe doesn't look like letting them last beyond the end of the century. But what are these sociological facts to do with fiction?

This: that the peasants' world can still be caught, at the tail-end of its existence, through the village tales of past and present—not folklore so much as gossip, which provides "a communal portrait, in that everyone is portrayed and everybody portrays." So he has stories told by individual members of the French village community in which he lives: people who are presumably exemplary, yet very much themselves—single, isolated, credible (readers of *A Fortunate Man* may recognise the method in another form)—in actions and events that are cyclical and familiar: rituals, movements away from the village and back, crops and disasters, the loss of a cow, the slaughtering of a pig.

These are sandwiched between an explanatory foreword and an afterword on the reasons for the survival of peasants over thousands of years, and their probable extinction in our lifetime. There are also poems interwoven with the stories, short descriptive verses about hay or potatoes, a sunset or a village death.

Has Berger caught something valuable before it vanishes? I think so. Inevitably, in another language and writing from another culture, addressing quite another audience in another country, there's a sense of distance, loss, even mishearing. But much else as well: a return to something like *Berger's fierce early prose* and close vision of things—objects and happenings—which recalls, perhaps, Lawrence. He shows that a way of life or a dying world is better preserved in artistic form, obliquely, than in statistics and generalities, facts and figures. There is a Wordsworthian touch about the way he gives his piercing personal vision to the inarticulate, before they vanish in this particular form.

The Egghead Republic is science fiction of enormous verve, and much of the credit for its linguistic exuberance must presumably go to its translator, Michael Horovitz. It even makes you accept quite cheerfully its weird conventions of typography and spelling, used to carry Charles Henry Winer, 30 years old in the year 2008, to the International Republic for Artists and Scientists (the Egghead Republic of the title), where the world's intellectual élite has been dumped by the great powers to escape atomic annihilation. To approach it he must pass through the Hominid Strip where live some of the mutant survivors of the catastrophe—centaurs and centauresses among whom Thalia, blonde huntress, is the first to catch him.

Winer's adventures in the Horse Latitudes, a calm in the Sargasso Sea where the jet-propelled island on which the Republic exists is moored for the moment, are entertaining but excessively complicated by the narrative style: which in one sense provides its own joyous justification for existence, and in another is self-defeating because altogether too gnomic, too convoluted.

The only straight story of the three is John Broderick's *London Irish*, which has, among its qualities, much sociological interest. Plenty of fiction has dealt with particular social circles, their overlappings and inter-weavings, but I don't remember any about the "assimilated" Irish in London, a farflung network, it seems, of relationships and loyalties and selfhelp, based on particular pubs, churches, and key figures, coming together at funerals, helpful, busy, interlocking.

At the centre of the story is a benign godfather, Andrew *Pollard, successful building* contractor who for forty years has helped his countrymen with jobs, housing, arrangements of all sorts; a pious Catholic (with a staunchly Orange partner) involved, when the story starts, almost to the point of marriage with a young American secretary in his firm. Pollard is old and childless; a nephew and niece will, if things carry on as they are, inherit his fortune; money and affection both enter their plans and doings: no one is quite heroic or quite villainous; the old country's strict and peculiar standards still apply in permisssive London.

It is a community that seems monolithic, impenetrable, with its own language and its shared memories, its rituals, understandings, insiders, successes. Its wealth displayed in the mink coats of its women, the good tailoring of its men.

Apart from all this, the novel has a good touch with both the look of things and the underlying reasons for them, with behaviour and motive, and with the slightly venal and the possibly worthless who are never quite what they seem or may be. While showing their weaknesses with candour, their deviousness with understanding, John Broderick makes one like almost all his characters, and enter their rather closed and specialised world with a curious degree of involvement.

John Berger: rural survival

Tory in-fighting

By MALCOLM RUTHERFORD

Power and Parliament by Timothy Raison, MP. Blackwell £5.95. 115 pages.

Mr. Timothy Raison's little book is one of the first in a series to be published by Blackwell and known as Mainstream. The intention is overtly political. The editors of the series include Lord Blake, the Tory historian, Mr. Leon Brittan, like Mr. Raison now a Minister at the Home Office, and Mr. Jo Grimond, the former leader of the Liberal Party. Their aim is to make Mainstream Books the 1980s equivalent of the Left Book Club of the 1930s, only from the other end of the political spectrum.

The Left Book Club not only published such authors as George Orwell. It had a formidable number of subscribers, some of whom organised themselves into local groups which would meet on a regular basis *to discuss the book of the* month. It is said by some that it had a seminal influence on the intellectual climate of the time, though a more accurate way of putting it might be that it was the climate of the time that led to the formation of the club.

The origins of Mainstream are not dissimilar. There is a feeling among the editors that books of a certain political complexion have found it difficult to find publishers, yet at the same time intellectual opinion in the country has been moving steadily to the right, or at least in the direction of anti-socialism, anti-corporatism and anti-collectivism. Mainstream is an attempt to give full play to writers who express such views. One day may be there will be tea parties or, perhaps more appropriately, champagne parties to discuss the Mainstream book of the month.

The parties seem unlikely to start with Mr. Raison's contribution. The first part of a book that has only 115 short pages, and yet which costs £5.95 to a non-member of the club, is obscure even to a reviewer who is supposed to specialise in British politics. There is clearly more to Tory intellectual in-fighting than one had ever guessed. Much of it appears to be an attack on Sir Ian Gilmour's latest book, *Inside Right.*

As well as being a suspected Left-wing deviationist, Sir Ian is now Lord Privy Seal and spokesman in the Commons for foreign affairs. His boss, Lord Carrington, will no doubt shortly be denounced for being a Whig.

Inside Right never seemed much of a book, if only because it consisted so largely of quotations. It provoked a response of a kind from yet another Tory who has since become a Minister, Dr. Rhodes Boyson. Dr. Boyson called his own book *Centre Forward.*

It is left to Mr. Raison, however, to produce the more intellectual challenge. To understand it we need to know about Philippe C. Schmitter and Mihail Manoilesco, the latter being described by the former (Review of Politics, 1974, Vol. 36, pp 85-131) as "that most original and stimulating of corporate theorists." This reviewer had never previously heard of either, and in a book so full of misprints cannot vouch for the spelling. On the other hand, Manoilesco's point that there is a distinction to be drawn between *corporatisme pur* and *corporatism (sic) subordonné* seems perfectly obvious, and could have been made without reference to the sources. Any doctrine, after all, can be applied by degrees.

Mr. Raison, at any rate, is against corporatism in all its forms, though his publishers are uncertain how to spell it. Having established that, he goes on to a few brief chapters on power and Parliament. The thesis is that Parliament ought to be rather stronger, but should use its powers to allow greater freedom of choice. The chapter on the relationship between central and local government is persuasive and could be more so if expanded into a book. As it is, it reads like an attempted discussion paper for one of those tea parties.

It is a pity that Mr. Raison, the original editor of *New Society*, should have gone in for this sort of thing. He could do better. So perhaps can Mainstream Books. Yet the thought remains that, having won the election, the Tories have everything to gain from reverting to being the stupid party of British politics. There is no telling where all this intellectual pretentiousness may lead.

More jottings from Max Gate

By GEORGE WATSON

The Personal Notebooks of Thomas Hardy edited by Richard H. Taylor. Macmillan, £15.00. 301 pages

Two nagging questions about Thomas Hardy. A genius, of course: but how intelligent was he?; and (a highly distinct question) how much of an intellectual? This new edition of his surviving notes, and the first complete one, makes both questions a little easier to answer. He was always a compulsive note-taker with a lust for self-improvement, both mental and social. In 1862-7, living in London as a young architect, he read hugely at night, studied French at the University of London, went to new plays, such as they then were, and took to visiting the National Gallery daily, conscientiously spending twenty minutes on a single painter at each visit. He even toyed with the idea of becoming an art-critic, as the "Schools of Painting" notes show.

He also cultivated duchesses. The notes stretch from 1867, when he was 27, to a few weeks before his death in 1928, and Dr. Taylor's task would have been even greater had he not *destroyed many of them in* 1919-23, as he dictated his own life in the third person to his second wife. This was a strange, stealthy proceeding, and Dr. Taylor makes no attempt to disguise its egotistical fervour, and puzzles greatly over whether J. M. Barrie, Lawrence of Arabia and even E. M. Forster were in the know. The *Life of Thomas Hardy* that appeared in two volumes shortly after his death as the work of his widow Florence was almost certainly composed by himself, apart from the last two chapters; and this book prints for the first time passages prudently omitted by the widow, sometimes at Barrie's suggestion, as too revealing of Hardy's interest in other women or his bitter resentment over reviews. Nothing gloomily parsimonious *about his later life at Max Gate* in Dorset, though: Hardy was proud of his famous and titled guests there, and proud to be seen at the best dinner-tables in London. His *Life* is now shown to have been expurgated. But it remains the best book about Hardy, if about is the word. What other writer in modern times, Sir Lewis Namier apart, took so much trouble to ensure that his official life should be just as he would wish? Hardy cared enormously about the world's opinion, and worked hard for it.

The new book is rich with aphoristic plums, such as "Nothing is so interesting to a woman as herself." It contains Hardy's notes for *The Trumpet-Major*, packed with Napoleonic details for that novel, down to sketches of military uniforms. But it will remain a work for the studious, if an indispensable one. Macmillan might now consider a new edition of the *Life* enlarged with the fragments restored to us here as scattered remains. That life is forever the best of guides to a great novelist who has only recently been accepted as a still greater poet. Add to that an article or two by Mr. Philip Larkin, who has generously proclaimed Hardy's influence over his verse; Mr. Robert Gittings's recent two-volume biography; and Professor Donald Davie's *Hardy and British Poetry* six years ago, that confirms how profound an influence on English poets he has been since the 1950s. The Hardy industry is by now huge. The *Personal Notebooks* is an edition that stands a little to one side of all this endeavour, though helpfully corroborative. These are not the most revealing notebooks by a novelist: Henry James's are that, and likely to remain so. And they strikingly fail to establish Hardy as that dedicated advocate of rural values that many of his admirers have supposed him. He loved his honours and his dignities, and enjoyed being a metropolitan literary lion. But he was an intellectual by earnest aspiration; and intelligent, very.

India's martyr

By K. NATWAR-SINGH

The Men Who Killed Gandhi by Manohar Malgaonkar. Macmillan, £6.95. 184 pages

With only twenty-one years to go the twentieth century is unlikely to produce a second Gandhi. The Mahatma's achievement remains unique. When, after 21 years in South Africa, Mohandas Karamchand Gandhi returned to India in 1914, his countrymen were lying prostrate. Being the good soul he was, he did not upset the imperial applecart during the war. "Britain's difficulty cannot be made India's opportunity." But by 1920 he was at the helm of the Indian freedom movement. In no time he gave Indians backbone and pride.

Whitehall was winning political battles in India but losing the political war. Gandhi won. India achieved freedom in 1947. Was the great man happy? No. The partition of the country was not a matter for rejoicing. Within five months of independence Mahatma Gandhi was shot dead by a Hindu fanatic. For Gandhi it was a perfect end. He died on the way to his prayer-meeting with God's name on his lips.

Mr. Malgaonkar has established an international reputation for himself as a novelist and historian. At least two of his novels, *The Princess* and *A Bend in the Ganges*, will be long read and remembered. For most Indians it is not easy to write about Gandhi, or do so objectively and with restraint. It is therefore a matter of satisfaction to come upon a balanced, well-researched and well-written book on Gandhi's murder. Mr. Malgaonkar has approached his task with a cool head and a sound heart.

The author was in Delhi throughout the period described in the book, that is, from Lord Mountbatten's arrival in India in March 1947 to January 30, 1948, the day Gandhiji was shot dead by Nathuram Godse. Malgaonkar is entirely successful in capturing the atmosphere, mood and passions of those tragic post-partition days—days of bloodshed and brutality, rage and revenge, madness and murder, horror and hate. Hundreds of thousands of refugees poured into Delhi. They had seen their near and dear ones kidnapped, mutilated, raped and killed. They were in no mood to head Gandhi's call for turning the other cheek or his imploring them to safeguard the property and lives of Indian Muslims.

When nothing stopped the inter-communal strife, the Mahatma undertook a fast-unto-death in mid January 1948. Sanity was restored. But three day later on the 20th the killers struck. A crude bomb was placed at the Birla House where Gandhi was staying. The explosion was loud but did not harm Gandhi who remained unruffled. Mandanlal, the culprit was caught but the other conspirators headed by Godse and Apte all got away, and were not apprehended till after Gandhi's murder on the 30th. Malgaonkar narrates, with controlled indignation, the casual, nay leisurely manner in which the police and other government agencies went about unearthing the conspiracy. Mandanlal had not told all, but enough. Yet the elephantine bureaucratic machine proceeded with unhurried pace till it was too late.

Malgaonkar, artist that he is, implies, where his admiration and sympathy lie; and with great clarity gives the case-history of each conspirator. *Godse gave himself up* after shooting Gandhi and his second in command Apte was arrested later. Both were hanged. The others served sentences of varied duration. The author sums it up for all of us when he writes,

"... it is impossible that on that day they could not have been overwhelmed by the sheer enormity of their deed, and made conscious of how great Gandhi, was, how puny they themselves were."

Crimes at home and in foreign parts

By ELIZABETH FORBES

Tomorrow's Ghost by Anthony Price. Gollancz. £4.95. 256 pages

Frances Fitzgibbon, pulled out of an under-cover operation ostensibly to assist Colonel Jack Butler in hunting an Irish Freedom Fighter in Yorkshire, finds herself investigating her boss, helped by Paul Mitchell whose expertise in military history once again proves crucial to the enquiry. The different strands of present, recent past and more distant past are woven skilfully into a tapestry whose pattern becomes apparent only on the final page.

Saturday of Glory by David Serafin. Collins. £4.25. 224 pages

The apparently straightforward suicide of a journalist in post-Franco Madrid is revealed as murder with motives and implications that threaten the career of Superintendent Luis Bernal, whose resemblance to the late Caudillo does not extend to his politics. Against the graphically painted Spanish background Bernal, plagued by an elderly wife with religious mania, consoled by a young mistress during the siesta hours, doggedly continues his investigation, a convincing cop and a likeable man.

The Patriots by June Drummond. Gollancz £5.25. 302 pages

When Mark Ramsey, liberal Parliamentary candidate in a Durban by-election is shot during Nomination proceedings, his campaign manager, Maurice Faber, suspects that the assassination is intended to prevent the Black Summit conference, supported by Ramsey's party, from taking place. Faber's enquiries lead him in search of a black leader who might avert the otherwise inevitable bloodshed. Set a few years in the future, the book casts a chilling eye on the South African political scene.

Screen Test by Sara George. Macmillan, £3.95. 192 pages

During her first week in New York, aspiring British actress gets involved in a death from smack (heroin) and sets off by road to find a West Coast film producer whose address she doesn't know. Reminiscences of old movies abound, from "it happened one night" to a Clouzot film of the 'fifties derived from a novel in the série noire, but the trans-American trail, seen through fresh eyes, is as potently atmospheric as ever.

Rainbow's End by Ellis Peters. Macmillan, £3.95. 191 pages

Everyone in the Welsh border village loathes Arthur Rainbow, so when somebody pushes the Birmingham antique dealer off the church tower there is a plethora of suspects. As the police seem baffled, Bossie, 12-year-old star treble of St. Eata's choir, expert forger and keen archaeologist, tries his hand at detection, nearly getting himself murdered in the course of unmasking the culprit. Bossie could become addictive.

Sporty warriors

To Face the Daring Maoris by Michael Barthorp. Hodder and Stoughton, £6.50. 237 pages

Among the Maoris of New Zealand, the most common names are Rangi and Raupa—almost as if every Red Indian were called Geronimo and Sitting Bull. For Te Rauparaha and Te Rangihata were the leaders of the First Maori War (1845-47). Converted Christians to a man, their club-wielding warriors faced a British Army incompetently led — and as more books come to be written about Britain's colonising past, this fact emerges more clearly. In this case, the British soldier won by his power of keeping on, the Maoris fell down over their more sporting attitude to war—you knocked off and went home after the day's match.

Mr. Barthorp's subject will find a more attentive audience in Auckland than half a world away in England, but his description of the structure and day-to-day routine of the British Army in the 19th century is as clear and simple an exposition of the subject as I have read anywhere.

JOHN DUNSTAN

RTS

he ups and downs of Old Masters

were some surprising downs at Christie's sale tant Old Master paint-rday. The most highly ture, a Fra Bartolom-ie Madonna and Child ing, failed to find a ide other works set records for their artists. nions of a price ng £1m for the Barto-were always perhaps nistic, reflecting the of really excellent Old in the market and lift-ry good work, but not nasterpiece, into a class real worth. Even so idding approached The Fra Bartolommeo for sale by Lady Cook, Sir Francis Cook.

other hand a wooded dscape with peasants rueghel the Elder sold 000, plus, the 10 per ver's premium, four pre-sale forecast and e the previous record n for this artist of It was sold by M Hans whose collection of nist pictures comes hammer at Christies ly, and was bought by ch dealer, Koetser, ought it for £290 in e under bidder yester-the Brod Gallery of London which is currently holding an exhibition of paintings by Jan Brueghel the Elder.

The highest price in the auction, which totalled £3,537,100, was the £510,000 for a painting by the 17th century Dutch artist Jan van de Cappelle of an estuary scene. It had sold in the same saleroom in 1880 for £535 and was acquired yesterday by The Cramer Gallery of The Hague. The previous auction record for a van de Cappelle was £120,000 paid at Sothebys in 1969.

Other good prices were the £140,000 for a view of Greenwich from the Thames by Canaletto, paid by the Schickman Gallery of New York: £80,000 from the Alexander Gallery of London for a winter landscape by the Dutch artist Joos de Momper, the Younger, and the same sum from Artex S.A. of Jersey for "The Martyrdom of St. John" by Giovanni di Paole.

A still-life of fruit and flowers by Jan van Os made £70,000 and a beach scene by Salomon Jacobsz. van Ruysdael, £60,000. A set of four views of Geneva painted in the 18th century by Robert Gardelle were bought by the City of Geneva for £35,000.

ANTONY THORNCROFT

] rival to Disney

runaway commercial f San Francisco's Pier bizarre mock-antique centre and marina likely to become one ica's biggest visitor s this summer—is some anxiety among ervations and officials. t was opened to the t October this 45-acre velopment has been capacity crowds of -cum-shoppers and Californian high season beginning, the oper-now confidently pre-at Pier 39's attendance his year will exceed e of the famed Disney-millions) and may not short of the larger rld (12 millions).

unconventional by shopping standards our high streets, for yet provide high cts, security guards as Keystone Cops, a rainmaker, mime " custom built people — an engaging cuphemism for an trolley), Pier 39's are certainly not in league as those to be he make-believe world lly created by Disney But the growing nd traffic jams along ncisco's Embarcadero t that looks out across to the old Alcatraz land are now causing lents to question the of the wholesale com-ition of the old docks

neme was the idea of entrepreneur and t chain owner, 51-year-n Simmons. Following abilitation of other d waterfront piers and dings in the late 60s—he fine old red brick building and the now-Fisherman's Wharf mmons determined to ie crowds and locate is own restaurants in of one of the remaining led piers. The initial into a more ambitious fur a comprehensive ment involving three provide an open-air mall, its own multi-ar park, restaurants, l kiosks, craftsmen's es, live entertainments fair and moorings for ing enthusiasts. The ty of the project and ible impact on the of the waterfront he start of construction y four years while the state and city plan-provals were obtained. nploying over 2,000 and attracting an 1 million visitors a this $54m brainchild ve its creator crying all to the bank.

9 is best described as gam of London's St. e's Dock, Southend new Brighton Marina, Battersea Fun Fair and ws at Chester—with a dollop of good, old-d American show biz keep you in a holiday

vide, angled pier struc-flanked by two marinas ital of 380 berths (these the sites of the former and 41) and protected : there is a five-acre d children's play area ie street frontage; mas-d very necessary—bus r loading/unloading nd a 1,000-space multi-r park with its own an bridge link. Viewed above the interlocking f two- and three-storey timber buildings on the elf are very reminiscent ame of monopoly at an d stage (a comparison uld probably appeal to nnions). Solid timber especially "aged" to that olde worlde effect nericans will pay dearly ve been used like brick-or all external walls and the pier's decks. The aded arcades also double as useful first-floor spectator platforms for some of the live shows that take place in the open, such as the daily high-diving act which features a team of stuntment diviing from an 87 ft platform into a 9 ft tank.

Despite the well-orchestrated initial opposition to the scheme (such heavyweight names as U.S. Steel and The Ford Foundation are said to have put forward alternative proposals) the fact that there are now 105 shops and boutiques and no less than 35 restaurants and food kiosks operating successfully and competing in an area only half the length of Bond Street would seem to confirm the success of Warren Simmon's dream—though not to explain it as a shopping phenomenon.

San Francisco has always been a favourite with holidaymakers, both American and overseas. The Japanese and British now top the list of foreign visitors to the United States and the twin West Coast centres of Los Angeles and San Francisco are the most popular points of entry. Last year's record UK visitors figure of 860,000 (itself an increase of over 50 per cent on 1977) will almost certainly move into the million-plus mark by mid-season next month. Yet of the varied range of sights and scenes offered by San Francisco (one of the most compact of cities to cope with) it remains a mystery why what is essentially a glorified open-air shopping arcade for tourists' souvenirs should be destined to become one of the nation's top attractions. And it is the impact that further waterfront commercialisation might have on the city's infrastructure that may well mean that Pier 39 will be the last development of its kind.

The San Francisco waterfront experience is a relevant and timely one for British architect-planners and conservationists to consider. Though the principal docklands areas in our major cities that have been abandoned by the shipping industry—Bristol, Liverpool and London being three classic examples—still lie empty and largely ignored, one major city centre area with an equally strong historic character — Covent Garden—is now undergoing the same type of planned revitalisation that has breathed new life and big profits into the Embarcadero.

After the long winter of blight that hung over the old wholesale market area, followed by the pioneering low-cost, short-lease rehabilitation work that brought in the small art galleries and bistros, the major refurbishment by the GLC of the grand Central Market Hall and its conversion into small retail units promises to provide the sort of commercial honeypot that will certainly send other rents upwards and draw the crowds in their thousands. The balance between a well-planned commercial area that is colourful and alive with pedestrians and sightseers and a sweaty jungle of souvenir-toting holiday crowds is a very fine one. To judge by San Francisco's experience it is one that the experts have yet to judge correctly.

NICHOLAS JONES

National Book Awards

The Arts Council of Great Britain has announced a major new series of literature prizes worth more than £22,000—the National Book Awards.

In the first year there will be three categories—fiction, biography or history and children's books—with a prize of £7,500 for each category, together with a winner's medal. The scheme will be financed out of funds already allocated by the council for literature.

First awards will be made in spring 1980 to cover books published this year, and publishers will be invited to submit entries.

American première of The Ice Break

While Covent Garden was reviving *The Ice Break*, the Opera Company of Boston was giving the American première of the piece. (Tippett attended Boston and London performances on consecutive days.) The Boston presentation, produced and conducted by Sarah Caldwell, was in some ways stronger than London's. Although I admired Ralph Koltai's elegant, ingenious scenery, the very plainness of Herbert Senn's and Helen Pond's in Boston—the intimate interiors were simply pushed on, on wagons, from the sides—seemed to throw a sharper focus on the music. The chorus was younger, more vigorous and the acid trip plainly something closer to its comprehension.

Moreover, the piece and its performance grew more vivid from being given in a town where the action might have been happening in the streets outside. The opera chimed with a report in the New York Times: "*Despite its desire for a progressive and liberal reputation, Boston simmers with racial tensions that regularly boil over in incidents ranging from verbal abuse to street brawls, stonings, and fire-bombings. . . . Boston has a lot of uncontrollable blacks who stone white people day in and day out.*" What in London had seemed like a dramatic metaphor for violence became in Boston something close to verismo.

The arrival of Olympion (Curtis Rayam) in the first act of The Ice Break

I heard a second performance, broadcast, in New York, on a night when fog swirled over the city, and Hannah's central aria—that outpouring of love and distress, "Blue night of my soul, blue-black within this city's night," framed between the terrifying music of hate and anger before and after it—made an overwhelming effect. Of course, the affecting power of Tippett's opera does not depend on such locative associations. But they made it easier to perceive the immediacy of his visionary music.

Hannah was sung by Cynthia Clarey, who came to attention as the Countess in the New York production of Thea Musgrave's *Voice of Ariadne*. Her voice is soprano, not mezzo but, the lower reaches are firm and smooth, and her performance was warm, grave, and beautiful. Jake Gardner (James Stewart in both the Scottish and the American premières of Musgrave's *Mary, Queen of Sc*[ots]) was a strong Yuri. Arlene Saunders was an ideal Nadia; her death scene was tender, radiant, poetic, and deeply touching. Richard Fredricks brought exactly the right sombre, troubled yet noble note to Lev. Between these artists and their London colleagues there was little to choose. Leigh Munro, Gayle, was more lifelike but vocally less vivid than Josephine Barstow; Curtis Rayam was a stronger Olympian than Clyde Walker. There was a touch of genius in Jeffrey Gall's utterance of Astron's pronouncements; this scene—far more potently staged than it was in London—made sense for perhaps the first time.

There was more than a touch of genius in Sarah Caldwell's handling of the whole, for she has the rare ability to perceive the expressive meaning of a harmony, a combination of timbres, a melodic shape, and to reveal it both in her musical shaping and by her staging. She excels in operas that have "problems," — *Benevenuto Cellini, I Capuleti, Russian and Lyudmila*, and now *The Ice Break*—which she presents in a way to make their merits and beauties seem paramount and their possibly flawed points comparatively unimportant. The stilted mock-American slang that in London was so much criticised became in America an odd, quirky, formalised language. The work played to four packed and enthusiastic houses.

After twenty years of wandering, the Boston company now has a home of its own, the Savoy Theatre, a very grand affair of marble and gold and rich red stuffs, of columns and mirrors and glittering chandeliers. It was one of the theatrical palaces put up in profusion in the late Twenties and early Thirties. The architect was Thomas Lamb. Most of his New York buildings show a touch of Babylonian exuberance, but the Savoy is French Baroque. In a manner somewhere between Versailles and the Opéra. Seating about 2,800, it is really too big for any but the grandest operas; but in America even the provincial houses—Houston, Seattle, Portland—are often 3,000-seaters while Dallas, Fort Worth, Cincinnati are larger still. Miss Caldwell helped things out with a discreet touch of amplification. (There has been talk of employing some amplification next season at the New York City Opera, whose house holds 2,737.)

The Savoy is the latest in a list of large music-halls and movie-houses reclaimed from shabbiness, or saved from the wreckers' ball, in days when cinema audiences dwindle. Others have become the homes of the St. Louis, Pittsburgh, Vancouver, Columbus, and Oakland Symphonies. These places, "dream palaces," all have a kind of popular splendour very different from the austerity of many modern halls and auditoriums, or the vulgar ugliness of New York's Metropolitan and Avery Fisher Hall.

ANDREW PORTER

Covent Garden street theatre

Free lunchtime entertainment will be presented at St. Paul's Portico in the Central Market Piazza, Covent Garden, W.C.2 until August 31 from Monday to Friday every week between 1 pm and 2 pm each day.

This is the fifth annual season of summer shows to take place in the old central market area—a traditional site for street performers. When these street shows began in 1975 the market buildings were deserted and hoarded up: now their renovation is nearly completed, the street has been recobbled, and the hoardings moved right back to reveal an open space making an exciting venue for open air entertainment.

Each week a different group of performers will present their latest work. The programme include clowns, music, theatre and a puppet show.

Cécile Ousset

Cécile Ousset has already been called phenomenal in these pages: and indeed she is that—an extraordinary pianist of apparently limitless technique, in whose hands the keyboard's fiercest challenges seem no more than a preliminary flexing of the muscles, and of lion's strength, who can sustain the biggest virtuoso programme fresh and tireless, with energy to spare.

For her physical gifts alone she would be remakable; but it is the wholeness of her artistry that makes her a phenomenon. She is lioness and poet together: she can coax and charm, and weave magical tissue from the subtlest musical thread, as sure as she storms the grand-romantic heights. Her playing has the warmth and close focus, and the electrifying presence, that sets it instanly apart from brilliant note-spinning. Word is beginning to go round: the Elizabeth Hall was at least half-filled for her recital on Tuesday evening. But if there's any heart at all in London's musical life, it cannot be long before they are queuing at the door.

She began with Beethoven's Pathetique sonata op. 13—a leisured, carefully drawn account, powerfully driven, unerringly aimed. In a certain manner it was very French, but French is the most stylish and cultivated sense, without any kind of fussiness or sentimental intrusion, the adagio melody unfolded broad and clear, the rondo finale a splendid marriage of rhythmic ripple and lightness with firm sonority and line. Mlle. Ousset's control of sonority is in any case one of her most commanding virtues. It was faultless in Chopin's F minor *Ballade*, which she dappled everywhere to marvellous (and never gratuitous) effect with a chorus of inner voices and subterranean colours

She gave us also Fauré's *Theme and variations* op. 73, proudly ardent, full of flashing lights; and three Debussy Preludes of unremitting momentum—fine tonic, most spectacular in *Feux d'artifice*, and most astringent, even if it meant passing by one or two perfumes worth lingering over, in *Feuilles mortes* and *Les Collines d'Anacapri*. Her finale was Ravel's *Gaspard*, which she delivered with inexhaustable energy, and irresistible authority.

DOMINIC GILL

ARTS 2

The Middleton way

RADIO

ANTHONY CURTIS

Thomas Middleton whose *A Chaste Maid in Cheapside* was broadcast this week (Radio 3, June 24) is an acknowledged influence on the most radical writers among our contemporary playwrights. They see him as a kind of Jacobean Brecht. In the only professional production which the play has had in the theatre since it fell into disuse about 350 years ago—that of William Gaskill at the Royal Court in 1966—the text was adapted by Edward Bond. For the radio production the adapter was Peter Barnes. In the meantime we have had in the theatre a glut of productions of *The Changeling* and an attempt by Mr. Gaskill at the National Theatre to re-habilitate another tragicomedy by Middleton and Rowley, *A Fair Quarrel*. We have also had a completely re-written modern version of Middleton's *A Mad World, My Masters* by Barrie Keeffe (directed by Mr. Gaskill and Max Stafford-Clark for the Joint Stock Theatre Group) and such Middleton-inspired original works as Howard Brenton's *Epsom Downs* which was broadcast two week's ago in a radio adaptation by the author.

The episodic structure of Middleton's work giving a picture of a corrupt society painted in every shade from grey to black and with a comic sense that is aggressively designed to disgust provides the contemporary radical playwright with the perfect model; but he seems to me still to have to offer audiences really convincing proof of its strength and permanence. The most successful production given under the Middleton banner, as it were, by Joint Stock so far has been *Epsom Downs* and the comparative failure of a *A Fair Quarrel* showed how difficult it is for us to accept today the mirror-effect which Middleton favoured of several related plots and no clear-cut hero or heroine. This problem is if anything even more acute in *A Chaste Maid* which R. B. Parker in his superbly researched edition describes as "a non-classical confederation of plots and episodes which must be analysed in terms of parallelism and thematic consistency if we hope to find its unity."

Happily radio can take such a proliferation of incidents in its stride provided we can readily identify who is speaking. Among its strong team of principals Martin Jenkins's Radio 3 production had Hugh Paddick as the voracious London goldsmith Yellowhammer eager to barter his daughter (Sarah Badel) and Cambridge educated son Tim (Andrew Branch) as readily as his wares in the cutthroat metropolitan marriage market, and egged on by his silly snobbish wife (Dilys Laye). "I will lock up this baggage," growled Mr. Paddick after his child's failure to escape with her lover (John Rowe) "as carefully as my gold."

The tribulations of the Yellowhammers might well have served the average dramatist with enough mileage for an entire evening. Middleton compounds them with those of the Kix's (Sian Phillips and Peter Jeffrey) who cannot procreate, thus forfeiting an inheritance: the Touchwood Seniors (James Laurenson and Josie Kidd) who cannot stop procreating: and a really dreadful individual called Allwit (Richard Briers giving the only subtle performance in the production) who, in exchange for a comfortable subsistence, permits the vicious Sir Walter Whorehound (Norman Rodway) to do his procreating for him with the connivance of Mrs. Allwit (Petra Davies).

That is by no means a comprehensive list of those in this play who have turned the act of procreation into a perversion out of an insatiable cupidity, but it will do. What should hold it all together is our sense of a soft London underbelly pullulating with such creatures (the true parallel is Dickens not Brecht). Any sense of an overview was lacking from this production, punctuated by bursts of Satie-ish music by Christopher Whelen. Indeed a firm director's control was nowhere much in evidence and some performances inevitably degenerated into caricature. Visual set-pieces as when the two lovers rise in resurrection from their coffins proved insoluble. Still, in spite of these grumbles the programme made us forcibly aware of the smouldering satiric might of Middleton.

Massey the new Philanderer

Daniel Massey has now succeeded Dinsdale Landen as Leonard Charteris in Christopher Morahan's exuberant production of Shaw's second play in the National's Lyttelton Theatre. Warmly reviewed in these pages when it opened last September, the "topical comedy" as Shaw called it is interesting not only in its discussion of subjects of the day—the New Woman, Ibsenism, vivisection, vegetarianism and marriage as a social question are a few of the topics—but also in its presentation of Charteris as the nearest Shaw ever came to onstage autobiography.

Not that much detail is actually divulged, but there is something touchingly recognisable in this vain, self-deprecating but equally self-defensive Ibsenite philosopher. Charteris is discovered on a sofa with the widow he loves, Grace Tranfield, and spends the rest of the play fighting off the vengeful advances of the lover he scorned, Julia Craven. Both girls' fathers, one with a liver complaint, the other a sentimental dramatic critic partially modelled on Clement Scott, bumble amiably on the sidelines, while Charteris ropes in a fellow member of the Ibsen Club (where only unwomanly women and unmanly men are welcome), the hapless Dr. Paramore, to be paired off with Julia.

Mr. Massey's Leonard is more Woolf-ish than Shavian in appearance, with a nice line in blustery mischievousness and a silken voice that threads in and out of the aphorisms with deceptive ease. The production strikes me as being particuarly successful at working towards its climaxes, notably the pursuit of Charteris around the Ibsen Club by an incensed Julia, and Paramore's delight when Julia threatens to need him ("You have called me Percy! Hurrah!"). Penelope Wilton is gorgeous as Julia, John Standing impeccable as Paramore. The sets and costumes are as handsome as ever.

MICHAEL COVENEY

Victoria Vivat

His latest miscellany of Victorian painting, that with characteristic ebullition he calls "The Victorian Renaissance." is exactly what we have come to expect of Roy Miles at this time of year, a most enjoyable and never less than interesting collection of work of the period; and if some items are perhaps just a shade more equal than others, and the show as a whole a fraction arbitrary in its selection, ranging as it does from Landseer and Sant to Byam Shaw, Strang and Tuke, a few choice things make the trip to Duke Street, St. James's a necessary diversion.

Amongst those that stand out are a fine early portrait by Alma-Tadema of Miss Laura Epps, painted in the month that he married her, and a tiny water-colour by Walter Knewstubb, that, in addition to its manifest charm, is something of an art-biographical curiosity, being a portrait of the artist's daughter, later the wife of William Rothenstein and thus the mother of our own Michael and John. And the Charles Leslie genre piece of 1847, of children playing at coach-and-horses on the furniture, with its languid adolescent beauty the passenger, and the two youngest sisters supplying what the critic of the day called "the necessary quadrupeds," is my own particular favourite.

But the undoubted coup of the show is the Burne-Jones set, the four panels of the seasons which have a wall to themselves and look magnificent. Painted around 1870 they remained among the artist's own favourite works, and here they hang as obvious museum pieces, Spring freshly and simply personified, Summer draped more diaphanously, Autumn and Winter (shown here) positively statuesque. Mr. Miles is to be congratulated not merely on bringing the set to us but on contriving to sell it intact. The good news is that, though the foreigners clustered around like nobody's business, it is to stay in this country, where it is indeed intended that it should be available for museum display.

The exhibition continues until July 31.

WILLIAM PACKER

Six Characters in Search of an Author

Pirandello's fascinating play, in which a rehearsal for *The Rules of the Game* is interrupted by a family wanting the company to act out their own lives instead of Pirandello's fiction, calls for playing of the greatest subtlety. The players must be shown, though only momentarily, in the play they should be playing. The family, the eponymous six characters, must be shown as themselves and also as amateur actors playing themselves to the satisfaction of the director. And the company must be shown trying, with a minimum of rehearsal, to play the parts demonstrated by the intrusive family.

It is clear that Pirandello knew as much about directing in the theatre as about writing for it. True some of his precepts have become out of date. "We can't have a banner on the stage saying where we are, or change the scenery half a dozen times in every scene," says the director crossly, not realising that even as the play was being written, in 1920, Bertolt Brecht was busy arranging to have just that kind of thing. It might have been interesting if John Linstrum in his new translation had substituted prejudices of our own time. "We can't have two intervals! We don't want a lot of realistic props!" his director might say.

The production at the Greenwich Theatre under Phil Young hardly manages the required subtleties. It is very slow, a fatal thing when so many points have to be insistently repeated and repeated. At a vital moment in the final act, when the family's little girl is drowned in the fountain and the little boy is found to have a pistol in his pocket, their mother and the other son are parked downstage, when they might be almost anywhere else, concealing these actions from half the house. Philip Stone as the father of the six waves his arms about so restlessly, perhaps in an endeavour to look Italian, that he looks as if he were playing an amateur actor, the one thing he must not look, since the point being made is that the truth of this family's multiple misfortunes is more truthful than the best possible acting of them.

The house lights are left o[n] at the start of each act as th[e] company assembles under work[ing] lights on the stage. At th[e] beginning of Act 2, Mr. Youn[g] leaves them sitting about s[o] long with nothing to do that [I] thought Michael J. Jackson[,] their director in the play, wa[s] giving them an exercise i[n] improvisation. (And à propo[s,] I very strongly recommen[d] Keith Johnstone's enchantin[g] if faintly eccentric book *Impr[o]* —Faber, £6.95—dealing wit[h] the teaching of improvisation.) When the family begins t[o] demonstrate how their live[s] are to be demonstrated o[n] stage, and they are very fuss[y] about getting it right, M[r.] Jackson calls for the lightin[g] he wants and the house light[s] go down.

The oldest of the thre[e] illegitimate children among th[e] six characters (they have [a] legitimate half-brother, but h[e] is required only to be bored[)] bears the main weight of th[e] tale. She is brashly played b[y] Pauline Moran, being a bras[s]y character and a foreigner a[s] that, but can produce moment[s] of heart-searching sadness. He[r] mother (Mona Bruce) passes a[n] one act working up to a gre[at] cry of distress, and ver[y] distressing it is when it come[s]. So it should be: she has ju[st] seen her husband seducing h[er] illegitimate daughter, wh[o] works in what passes as [a] dressmaker's but is really [a] brothel.

B. A. YOUN[G]

Coventry Mystery Play as annual summer festival

The Coventry Mystery Play[s], once the most renowned cycl[e] of religious dramas in Englan[d] are to be presented each sum[mer] in the ruins of Coventr[y] Cathedral. They will be stage[d] this year from July 31 t[o] August 18 by the Belgrad[e] Theatre, Coventry.

Last summer the plays wer[e] presented in Coventry for th[e] first time in almost 400 year[s]. The success persuaded th[e] theatre company and the cath[e]dral to make the presentatio[n] an annual event within th[e] walls of the blitzed cathedra[l].

Margaret Rawlings as Empress Eugenie

The superb one-woman performance by Maragret Rawlings as the Express Eugenie which played briefly at the May Fair and the Vaudeville earlier th[is] year will play for a week a[t] the Yvonne Arnaud, Guildfor[d] from July 9-14.

TV Radio

BBC 1

† Indicates programme in black and white

8.05 am Open University (Ultra high frequency only). 8.55 Mister Men. 9.10 Boss Cat. 9.35 Tabitha. 10.00 Play Sport. †10.25 "The Space Children." †11.30 "My Favourite Spy" starring Bob Hope and Hedy Lamarr. 12.58 pm Weather.

1.00 Wimbledon Grandstand: Athletics (1.05, 3.20) GDR v USSR: Canoeing (1.20): Boxing (1.40): Wimbledon '79 (1.50, 3.20): The Irish Sweeps Derby (3.05); 5.50 Final Score.
6.00 News.
6.10 Sport/Regional News.
6.15 Juke Box Jury.
6.45 Saturday Night at the Movies: "Voyage to the Bottom of the Sea." starring Walter Pidgeon.
8.30 The Paul Daniels Magic Show.
9.00 Sword of Justice.
9.50 News.
10.00 The Voyage of Charles Darwin.
10.53 The Quest.

All Regions as BBC1 except at the following times:

Scotland—12.05 am News and Weather for Scotland.

Wales—12.05 am News and Weather for Wales.

Northern Ireland—6.10-6.15 pm Sport/News for Northern Ireland. 12.05 am News and Weather for Northern Ireland.

BBC 2

7.40 am-12.40 and 1.05-2.45 pm Open University.
2.45 Wimbledon Tennis.
7.20 News and Sport.
7.35 The Sky at Night.
7.55 Grapevine.
8.25 Word for Word.
9.00 The Hollywood Greats (Ronald Colman).
9.50 Wimbledon: Match of the Day.
10.45 News on 2.
†10.50 Midnight Movie: "A Double Life" starring Ronald Colman.

LONDON

8.45 am Sesame Street. 9.45 The Fantastic Four. 10.00 Superman. 10.30 The Mersey Pirate.

12.30 pm World of Sport: 12.35 International Sports Special (Part one): 1.15 News from ITN; 1.20 The ITV Seven—1.30, 2.00 and 2.30 from Newmarket; 1.45, 2.15 and 2.55 from Newcastle; 3.15—The Curragh — Irish Sweeps Derby: 3.25 International Sports Special (Part two); 4.55 Results Service: 5.05 Athletics—The Europa Cup from Malmo, Sweden.
6.05 News.
6.15 The Masterspy.
7.00 Kidnapped.
7.30 Mork and Mindy.
8.00 Celebrity Squares.
8.30 Lovely Couple.
9.00 News.
9.15 "Conquest of the Planet of the Apes" starring Roddy McDowall.
10.53 Police 5.
11.05 Celebrity Concert — Jack Jones.
12.05 am Stars on Ice.
12.35 Close: Personal choice with Richard Briers.

All IBA Regions as London except at the following times:

ANGLIA

9.05 am Invasion Road. 9.35 Buying And Selling A House. 10.00 Clue Club. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 10.50 Celebrity Concert. 11.50 Police Surgeon. 12.20 am At The End Of The Day.

ATV

9.55 am A Question Of Sex. 9.35 Buying And Selling A House. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 9.15 Lou Grant. 10.15 Saturday Cinema: "The Wild Bunch," starring William Holden, Ernest Borgnine and Robert Ryan.

BORDER

9.35 am The Lost Islands. 10.00 The Beachcombers. 6.15 pm Mork and Mindy. 6.45 Masterspy. 7.30 Kidnapped. 10.50 Celebrity Concert—Roger Whittaker.

CHANNEL

12.15 pm Puffins Pla(i)ce. 6.10 Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 9.15 Feature Film: "Rider On The Rain." 11.15 Michel Legrand and Friends.

GRAMPIAN

9.00 am Cuir Car. 9.30 Sesame Street. 10.50 pm Reflections. 11.50 Police Surgeon.

GRANADA

9.35 am Early Musical Instruments. 10.05 Happy Days. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 10.50 Celebrity Concert. 11.45 Fireside Theatre.

HTV

9.05 am Invasion Road. 9.30 The Beachcombers. 9.55 Mr Magoo. 10.05 Batman. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 9.15 "The Comedians," starring Richard Burton and Elizabeth Taylor. 11.55 George Hamilton IV.

HTV Cymru/Wales—As HTV General Service except: 6.15-6.45 pm Pwy Fase n Meddwl ?

SCOTTISH

9.15 am The Secret Lives of Waldo Kitty. 9.35 The Life and Times of Grizzly Adams. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 10.50 Late Call. 10.55 Power Without Glory. 11.55 Police Surgeon.

SOUTHERN

9.00 am Sesame Street. 10.00 Bailey's Bird. 10.27 Regional Weather Forecast. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 10.50 Southern News. 10.55 Fantasy Island. 11.50 Bygones.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 Cartoon Time. 9.20 The Man from Atlantis. 10.20 Saturday Shake Up. 10.30 Saturday Morning Film: "Blood on the Arrow," starring Dale Robertson. 12.15 pm Saturday Shake Up. 6.15 Happy Days. 6.45 The Masterspy. 7.30 Kidnapped. 8.00 Lovely Couple. 8.30 Celebrity Squares. 9.15 "Cold Sweat," starring Charles Bronson and Liv Ullman. 11.05 Benny Hill Down Under. 12.00 Out of Town. 12.30 am Epilogue.

ULSTER

10.10 am Catch '79. 10.35 Little House on the Prairie. 11.30 Sesame Street. 6.15 pm Happy Days. 6.45 The Masterspy. 7.30 Kidnapped. 7.55 Sports Results. 9.15 Feature Film: "The Slender Thread," starring Sidney Poitier and Anne Bancroft. 11.00 Celebrity Concert (Sergio Mendes).

WESTWARD

9.30 am Untamed World. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 6.15 Westward News. 6.19 Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 9.15 Feature Film, "Rider on the Rain," starring Charles Bronson. 11.15 Michel Legrand and Friends. 12.10 am Faith for Life. 12.15 West Country Weather, Shipping Forecast.

YORKSHIRE

9.00 am Cartoon Time. 9.10 Spiderman. 9.30 Space 1999. 6.15 pm Mork and Mindy. 6.45 The Masterspy. 7.30 Kidnapped. 10.50 Celebrity Concert, featuring Charles Aznavour. 11.30 The Odd Couple.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'N' Roll (S). 6.31 In Concert (S). 7.30 Chris Jones. 10.00 Al Matthews with Discovatn. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Paddy O'Byrne (S). 8.06 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Matt Monro with Star Choice (S). 1.02 The Impressionists. 1.30-7.00 Sport On 2: Wimbledon: Commentaries, opinion, analysis, news, interviews. Racing from Newcastle (1.30 and 2.50, news of the Irish Sweeps Derby: results from other meetings and classified check at 5.45): Cricket (1.30, 4.50, 5.45), Athletics (1.30, 4.00, 4.30, 5.30) European Cup men's semi-final: plus news in Rugby League, Golf, Rowing, Cycling, Motor Racing. 7.02 Three In A Row. 7.30 Sports Desk. 7.32 BBC International Festival of Light Music (S). Concert, part 1: An Evening at the Ballet. 8.30 Steve Race reflects. 8.50 Concert, part 2: Stars of Friday Night is Music Night. 10.02 Edmund Hockridge with Brass and Strings (S). 11.02 Sports Desk. 11.08 Ray Moore with The Late Show (S) including 12.00 News. 2.02-5.00 am You and The Night and The Music with Bill Rennells (S).

RADIO 3

7.55 am Weather (comprehensive forecast). 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review, including Building a Library (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Robin Ray: Popular classics on records (S). 1.00 pm News. 1.05 Haydn and Bartok Chamber music concert (S). 2.10 Elisabeth Schwarzkopf: Song recital on records of the 40s and 50s. 3.15 Edinburgh International Festival 1978: Concert, part 1: Bernstein, Chopin (S). 4.00 Interval Reading. 4.05 Concert, part 2: Shostakovich. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Segovia (S). 7.15 Brahms chamber music. 8.00 "The Seasons," Oratorio by Haydn, part 1 (S). 9.10 Plums (story). 9.35 "The Seasons," part 2 (S). 10.55 The Great Gargantua (first of three readings from Rabelais's book). 11.15 Messiaen piano music (S). 11.55-12.00 News.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport On 4. 8.45 Yesterday in Parliament. 8.59 Continental Travel Information. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week (S). 11.20 Time for Verse. 11.30 Wildlife. 11.55 Sounding Off, with Dr. Hugh Mellor. 12.00 News. 12.02 pm Away From It All. 12.27 I'm Sorry I Haven't a Clue (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Origins. 2.30 Saturday-afternoon Theatre. 3.30 Does He Take Sugar? 4.00 The Magic of Music. 4.45 A Sideways Look At . . . 5.00 Kaleidoscope Encore. 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs, with Tito Gobi. 6.50 Stop the Week, with Robert Robinson. 7.30 Baker's Dozen (S). 8.30 Saturday-night Theatre: "Present Laughter," by Noel Coward (S). 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 "Dear Me" (Peter Ustinov reads extracts from his autobiography). 11.45 Just Before Midnight. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; Weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 Saturday Scene. 11.30 The Robbie Vincent Show. 2.00 pm Bob Powel with London Country. 4.30 Marione Bilbow with Close Up. 5.00 Sounds Good. 6.30-5.00 am: Join Radio 2.

London Broadcasting

5.00 am Morning Music. 7.00 A.M. with Dickie Arbiter. 10.00 Jellybone. 1.00 pm Sportswatch. 6.00 The London Interview. 7.00 Geet Mala: programme for London's Asian Community. 8.00 Monty at Large. 9.00 London Rules. 9.30 City Week. 10.00 Nightline. 1.00-5.00 am Night Extra.

Your Weekend £: Austria 29.00, Belgium 69.20, France 9.15, Italy 1,785, Greece 76.50, Spain 140.0, Switzerland 3.56, U.S. 2.1550. Source: Thomas Cook.

TV RATINGS w/e June 24

UK TOP TWENTY (viewers m)

1	Benny Hill (Thames)	14.25
2	Coronation St (Mon) (Gran)	13.00
3	True Grit (BBC)	12.95
4	Coronation St (Wed) (Gran)	12.75
4	Crossroads (Thur) (ATV)	12.75
6	Rosie (BBC)	12.05
7	Crossroads (Mon) (ATV)	11.95
8	In Loving Memory (Yorks)	11.90
8	Paul Daniels Magic (BBC)	11.90
10	Crossroads (Tue) (ATV)	11.75
10	Crossroads (Wed) (ATV)	11.75
10	Hazell (Thames)	11.75
13	Wild Life (BBC)	11.10
14	News at Ten (Wed) (ITN)	10.90
15	Top of the Pops (BBC)	10.80
16	Emmerdale Farm (not Wales) (Thur) (Yorks)	10.50
17	Lingalongamax (Thames)	10.45
18	You're Only Young Twice (Yorks)	10.20
19	Winner Takes All (Yorks)	10.10
20	Emmerdale Farm (Tue) (Yorks)	9.65
20	News at Ten (Thur) (ITN)	9.65

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen Ratings)

1	Threes Company (ABC)	[illegible]
2	Jeffersons (CBS)	[illegible]
3	Taxi (ABC)	[illegible]
4	Alice (CBS)	[illegible]
5	60 Minutes (CBS)	[illegible]
6	Mork and Mindy (ABC)	[illegible]
7	Barnaby Jones (CBS)	[illegible]
8	All in the Family (CBS)	[illegible]
9	MASH (CBS)	[illegible]
10	Happy Days (ABC)	[illegible]

CHESS SOLUTIONS

Solution to Position No. 274

Makarichev was right. Aft[er] 4 N-K4 the game ended 4...Q-K[?] 5 KxB(Robatsch saw that Whit[e] has two pieces for rook and tw[o] pawns and analysed no further) BxN; 6 PxB, KR-K1 and Whit[e] resigned. If the attacked knigh[t] moves, Q-K8 mate.

Solution to Problem No. 274

1 R-B4 (threat 2 Q-Q4), KxR 2 Q-B6, or if NxR; 2 P-Q4, or i[f] N-B3; 2 R-K4, or if B-Q4; [2] QxB(N8), or if B-Q3: 2 Q-N5.

WEEKEND CHOICE

UNLESS YOU are a Wimbledon fan or missed The Voyage Of Charles Darwin (BBC1) first time round, it is well worth giving Saturday's television a miss.

SUNDAY offers only a couple of new programmes worthy of note: ITV's State Of The Nation debate at noon, on sex in a TV play, and the "filmed play" Follow The River Down in BBC2's Turning Year Tales at 8.05. There are several interesting repeats, however: BBC2 shows Chaplin in A Dog['s] Life at 8.35; and Alvin Rakoff['s] version of Wesker's The Kitche[n] is repeated on BBC1 at 8.55. A[t] 9.15 BBC2 continues its nigh[t] of old movies with John Wayn[e] in Ford's absurdly overrate[d] but still enjoyable Stagecoach and at 10.25 BBC1 repeats th[e] first part of Peter France['s] fascinating report on whatev[er] happened to the hippies of th[e] sixties in Where Have All The Flowers Gone? Soap is of course a must on ITV at 11.00.
—C.D.

CINEMAS continued on page 26

LEISURE

Chelsea's degree show

BY WILLIAM BENNETT

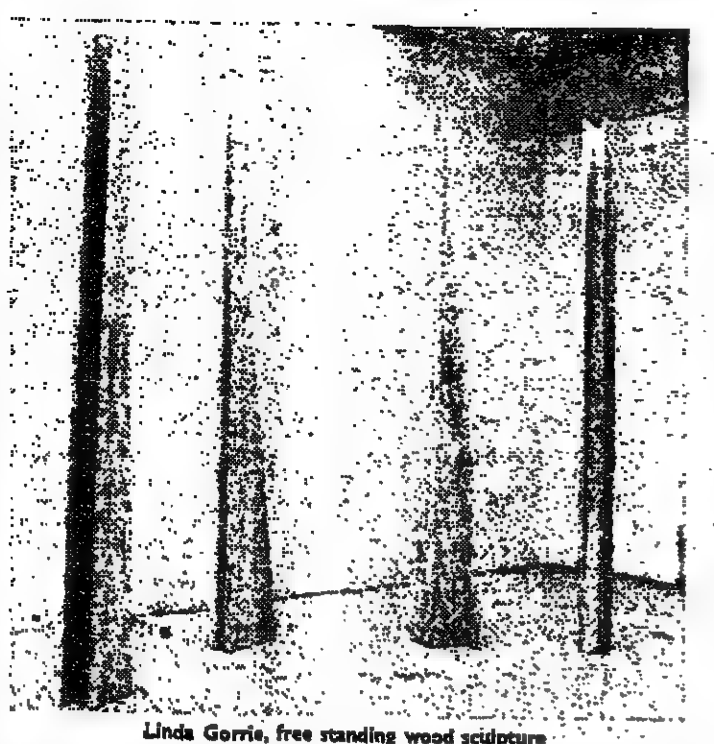
Y SUMMER, the young ites of art schools all over untry exhibit their work ioma and Degree shows; ntents of these exhibitions the hopes and aspirations se who will attempt to their livings in one of the competitive of human ies, as well as revealing about current ideas and ices in art. This latter can be an extraordinary ence.

n I visited the Carpenter , the Fine Arts Faculty vard University, in 1973, amazed to see not hun- of budding Andy Warhols, Witts or Jasper Johnses, zions of mini-Ben. Nichol- Nicholson's work, for so subjected to the usual nism of the English art shment, had been exper- g a revival at the time and one of the few English to have attracted an can audience. Neverthe- was fascinating to see a whose work was cer- having a minimal impact glish art schools being as a modern master by can students (who, one have thought, would have lte enough native models which to choose).

ng attended many Degree in the past, it seemed to n the light of my Har- xperience, that one of the ns with English art ts was that they were not adventurous enough. lly, the problem seemed in the art schools them- since they no longer ed the rigid and stultify- ademic disciplines which ve been the bane of every he artist's student life, the ts themselves appeared to othing left against which il. In other words, the x implicit in art school g is that once the schools o assert strong, indepen- lues, however reactionary values might be, the s sink into mental y.

he U.S., art criticism (if nally unreadable) has at ad the virtue of being un- mising and American art s are aware from the out- t their work will have to a very harsh running it if it is to achieve criti- cess. In England, on the y, there is too marked a cy to suffer fools gladly, nes even thankfully.

us with such thoughts in hat last Tuesday night, I d the opening of the Show at Chelsea College Over the last few years,



Linda Gorrie, free standing wood sculpture

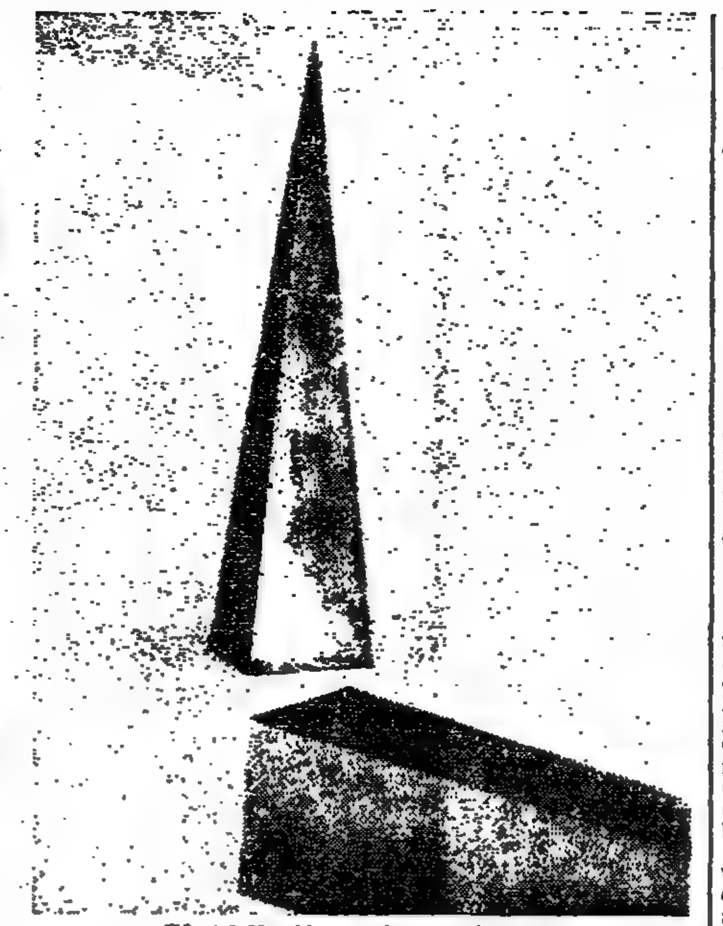
Chelsea has been very lucky with its staff, which has included the late Jeremy Moon, Sean Scully and, currently teaching, Nigel Hall, who is among the most important of contemporary sculptors, and Trevor Sutton, one of the very few young artists to give one hope for the future of British painting.

Since all the artists mentioned above work, or worked, in the abstract mode, it was to be expected that the best student work in the show would be found within their teaching orbit. The teachers themselves are still young and developing their art; thus they are able to set up both personal and artistic rapports with their students while reminding the latter of the problems inherent in working in abstract concepts. Both groups, as it were, are in the same boat.

If there is some very interesting abstract work in the student show, the same cannot be said of the representational painting and sculpture, the latter including some pieces of quite startling vulgarity without even the merits of being shocking or funny. The painting is uniformly bad; indeed, the standard is so low that to describe it as merely bad is almost to praise it. The almost moribund parochialism of English academic painting ekes out a meagre existence in the work of students who are themselves unwitting conduits of their teachers' own inadequacies. There is no reason why representational painting should be so bad—Chuck Close, David Hockney or Diane Ibbotson, to name only three splendid modern painters, have demonstrated quite clearly that pictorial art is an endless process always open to creative imaginations. But the monotonous, slab-like painting which is offered up at Chelsea is beyond forgiveness.

Among the best of the painters are Jeremy Asquith and Nicholas Danziger. The former has made a group of textured paintings, one of which, despite being extremely large, is very well controlled. The influences are diverse but do not impinge on the artist's own individuality (it was interesting to hear Tapiès mentioned as a source, in academic terms surely one of the most under-rated of European artists). The latest work, large black reliefs, do not seem so successful but the process of discovery must, inevitably, create a few failures and Asquith's work deserves careful nurturing.

By contrast, Danziger's painting is based on a more tight-knit and ordered mathematical principle, a pre-occupation of many contemporary painters and sculptors and one which, in the hands of some — Vasarely, for instance — can fall into the morasse of slick stereotyping—and with others — Kenneth Martin or Sol LeWitt—can produce work of extraordinary beauty. On the whole, the earlier paintings by Danziger, while being beautifully constructed and executed, are dead; only in his most recent paintings has he managed to break away from his sources to produce work of impressive quality. He will, perhaps, find it harder to progress than Asquith, who has a wilder, more free-flowing imagination, but I hope he will make the effort.



Shirazeh Houshiary, environmental room.

Among the sculpture, there is one work of absolutely breathtaking beauty. This is the environmental piece by a young Iranian girl, Shirazeh Houshiarg, who has been awarded a Fellowship to Cardiff Polytechnic (an award which, judged against the quality of her work, seems almost banal). Environmental art has been an experiment which only very few artists, most notably Bruce Naumann, have been able to handle successfully; Miss Houshiarg's room employs many of the same techniques as Naumann's pieces, principally a manipulation of space and light so as to cause an initial sense of unease, even fear, among those who enter it, to be replaced, as eyes and minds become adjusted, to an even greater sense of calm and order. Such things are difficult to describe and since there is no substitute for personal experience, I urge everyone who can to visit Chelsea and to see the piece while it is still *in situ* (environmental art, for obvious reasons, having a tendency towards the ephemeral). This piece is one of the most brilliant and assured works I have known an art student to produce, and a glance through Miss Houshiarg's portfolio quickly revealed that it is only the latest in a series of almost equally fine environmental pieces.

The other sculptor of special quality is Linda Gorrie, who standing pieces are subtle and quiet, but have considerable presence. Her work over the last year has been through a careful and studied process of refinement and the austere, columnar, sculptures she is showing are beautifully balanced, even if the quality of craftsmanship leaves something to be desired.

The four artists I have singled out are the outstanding talents in what is otherwise a somewhat drab show (without them, it would have been an unmitiagted disaster). Indeed, so much better are they than their *fellows* that they seem almost like old masters! Miss Houshiarg's room is something very special, and would still be judged so even in very exhalted company. The others, however, have the potential to be fine artists and it is to be hoped that the British environment does not make the achievement of their goals impossible for them.

Literary magicians

COLLECTING

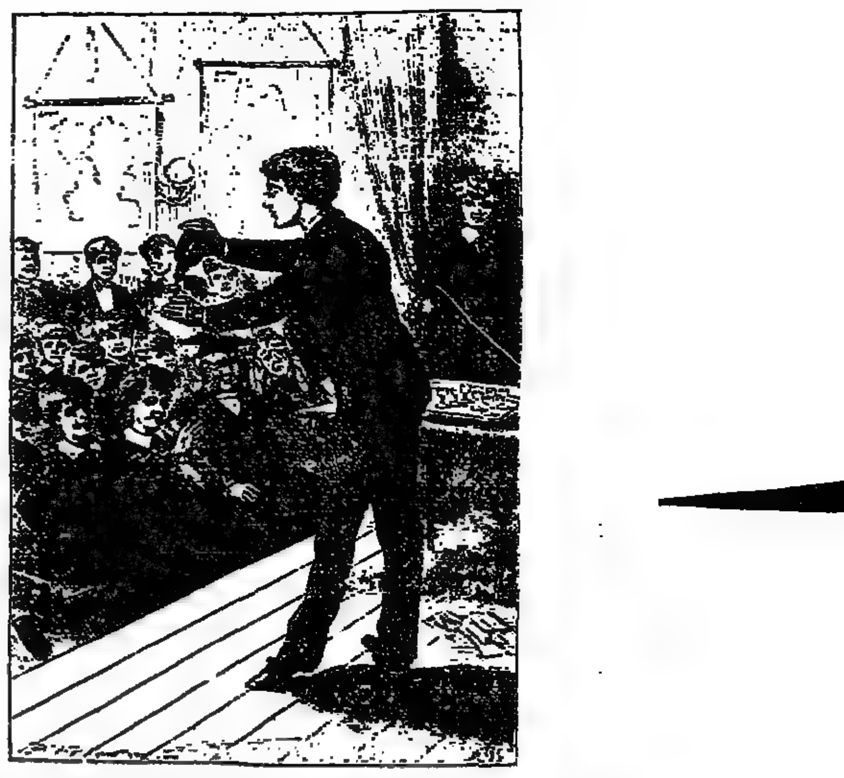
JANET MARSH

CONSIDERING how much their art depends on secrecy and deception, magicians turn out to have been a remarkably communicative lot of people. On Thursday and Friday next, Sotheby's at Chancery Lane is selling the first part of the J. B. Findlay collection of literature on conjuring and the allied arts, certainly the largest accumulation of its kind to come to auction. Although this first section gets only part way through the alphabet—in fact from Abracadabra, edited by Goodliffe, to Ozanam: *Recreations Mathematiques* — it numbers over 500 lots, and perhaps three or four times that number of individual books.

James Findlay was himself a magician, and in 1920, at the age of 16, was already a member of the Glasgow Society of Magicians. Later he was a founder member of the Scottish Conjuring Association, and a member of the Inner Magic Circle. Two lots in the sale comprise a large collection of his own pamphlets and books.

Although the popular audience was to remain conveniently credulous into the 19th century and beyond, it is fascinating to find writers as early as the 17th century exposing—or disseminating — the deceptions of the conjurors. John Bates' *The Mysteries of Nature and Art* appeared in the 1630s. The Findlay collection has the only known copy of a 1663 edition of one of the earliest books entirely devoted to conjuring, *Hocus Pocus Junior, the Anatomy of Legerdemain*. It was still being reprinted a century later. Henry Dean's *The Whole Art of Legerdemain, or Hocus Pocus in Perfection* ran into numerous editions between the 1750s and the 1840s. Another curious early title, reflecting the conflicts of science and credulity, is Gabriel Naude's *1657 The History of Magick, by way of Apology for all the Wise Men who have unjustly been reputed Magicians.*

The 19th century was the great age both of magicians and of magic books. H. Anderson, a fellow Scot, unscrupulously borrowed Sir Walter Scott's title of The Wizard of the North (he was in his turn succeeded *by Wizards of* the South, East,



West and even, in parody, the South-South-West-By-East). His own boastful little book *The Fashionable Science of Parlour Magic* ran into over two hundred editions, though they may well have been one of his own deceptions, affected by fraudulent changes of the title-page imprint. Anderson was a master publicist. The citizens of England would awake to find the pavements of their towns painted with the words Anderson is Coming; and his arrival was further heralded by procesions of sandwich-board men bearing individual letters to spell out the words The Celebrated Anderson—The Great Wizard of the North.

Anderson had an endearing tendency to the malapropism, and his flamboyant posters would list his "Celebrated Delusions." *His most famous* "Delusion" was the gun trick. A marked bullet would be placed in a rifle which was then fired directly at the magician. With the greatest aplomb, Anderson would thereupon remove the bullet from his mouth, to thunderous applause.

The gun trick had been performed as early as the seventeenth century, and was the cause of several fatalities, including the young son of an aristorcratic conjuror of the eighteenth century, the Comte De Grisi, as well as one of the greatest conjurors of this century, Chung Ling Soo. Chung Ling Soo, an American whose real name was Robinson, died from a bullet in his lung when the gun trick misfied on the stage of Wood Green Empire on March 27, 1918.

The story of conjuring is full of strange and dramatic fatalities. The Great Lafayette, whose spectacular stage show included forty performers and a menagerie of animals, perished in a fire on the stage of the Empire Theatre Edinburgh in 1911.

Fire also doged the career of the Great Wizard of the North. A vast theatre he built in Glasgow was burnt down after a *week's performances; and as* a result of his nine-week tenure of Covent Garden theatre it too was razed by a conflagration in 1856.

Among the memoirs and manuals and magazines, the Findlay catalogue lists dozens of books by two of the great modern popularisers of conjuring techniques: Professor Hoffman, who published many editions of his works in the last quarter of the nineteenth century, and Will Goldston, editor of several magazines and author of innumerable books, whose tricks were marketed by Hamleys for schoolboy use.

Three of the garrulous Goldston's editions make a charming token acknowledgement to the *traditional secracy of magicians. Exclusive Magic* (1912) *Secrets, More Exclusive Magical Secrets* (1921) and *Further Exclusive Magical Secrets* (1927) come complete with lock and key. Sothebys slyly cast some doubt on the exclusivity of the secrets and the nature of the "limited editions" of these works: the catalogue refers to them as *of an unspecified limitation.*

CHESS

LEONARD BARDEN

ERLAND has become a centre for international during recent years, the 1976 Biel interzonal, assky-Portisch match at , and several other Early this month the Hotel in Geneva was ing for a weekend inter- l open sponsored by the ce firm La Genevoise ices and resulting in a itish success.

organisers, the Geneva Club, had the happy idea ting three English and alian experts to compete ocal French and Swiss for the SwFr 2,000 first The Italians were grand- Mariotti and IMs Tatai th, while from England randmasters John Nunn chael Stean, and 14-year- gel Short. A total of 80 took part in a seven- event held under the airing system.

defeated Short in the round and he and Stean or near the top through- raws with his two fellow- asters, and convincing ver Toth and IM Castro brought Nunn to 6 out But Short won game game against the Swiss , beat the French master ann in the final round. lso reached six points. izewinners were 1-2 Nunn ort (both England) 6, 3-7 Stean (England), Mariotti, Tatai and Toth (Italy) and Eberlein (West Germany) 5½.

Nigel Short's achievement highlighted his exceptional promise, but the two British grandmasters also confirmed their growing reputations. In recent months both have achieved good results while Tony Miles, who leads the national rankings, has not played to his 1977 form. Nunn, also among the favourites in the £3,000 Cutty Sark Grand Prix, the national league for British congresses, is one of the few grandmasters with a full-time profession outside chess (he is a maths lecturer at Oriel College, Oxford). In that sense of a chess amateur he is now the *third strongest in the world* after the West German professor, Robert Hubner, and the USSR schoolboy, Kasparov.

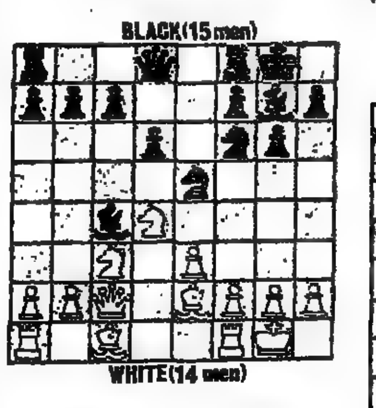
When Nunn and Stean were paired at Geneva, a draw was the natural outcome. However, this week's game is no salon-remis but a fighting display full of interesting ideas.

White: M. F. Stean (England). Black: J. D. M. Nunn (England). Opening: Tarrasch Defence (Geneva, 1979).

1 P-QB4, N-KB3; 2 N-KB3, P-K3; 3 N-B3, P-B4. 4 P-KN3, P-Q4; 5 PxP, PxP; 6 P-Q4, N-B3; 7 B-N2, B-K2; 8 0-0, 0-0; 9 B-N5, PxP; 10 KNxP, P-KR3; 11 B-K3, R-K1; 12 Q-R4, N-QR4 (the Tarrasch is John Nunn's favourite defence to the queen's pawn and he considers Black's active pieces full value for the isolated QP. The knight move is better than B-Q2 which brought him into difficulties against Vahanian of the USSR in the Buenos Aires olympiad): 13 QR-Q1, B-Q2! (Nunn had not *seen the game Stean-Pfleger*, Munich, 1979, but improves on Pfleger's passive N-B5; 14 B-B1, N-N3; 14 Q-B2, RQB1; 15 Q-N1, N-B5! (now this involves a deep sacrificial idea. White could decline it by 16 B-B1 but Black is then better placed than in the two previous notes): 16 NxP, NxN; 17 BxN NxB; 18 PxN, B-KB3; 19 Q-Q3 (Black's *main idea was* 19 BxNP, Q-K2; 20 BxR, QxP ch; 21 K-R1, BxB when the long diagonal threats are good compensation for the material sacrifice), B-R6; 20 N-B5, BxN (K-R1 is an interesting alternative); 21 RxB, Q-N3; 22 BxP ch! (Stean declined a draw here, and the bishop sacrifice is the best chance to keep the game alive. Instead 22 RxB, QxR; 23 R-KB1, QxNP; 24 BxP ch is level), KxB; 23 RxB ch! PxR (if KxR; 24 R-B1 ch drives the king into the middle, while if QxR; 24 R-KB1 with winning chances); 24 Q-R7 ch, K-B1; 25 Q-R8 ch, K-B2; 26 Q-R7 ch, K-B1; 27 QxP ch, K-B2 (risky is K-N1? 28 R-Q4!); 28 Q-R7 ch (not 28 R-Q7 ch, K-K3), K-B1; drawn by perpetual check.

POSITION No. 274

BLACK (15 men)

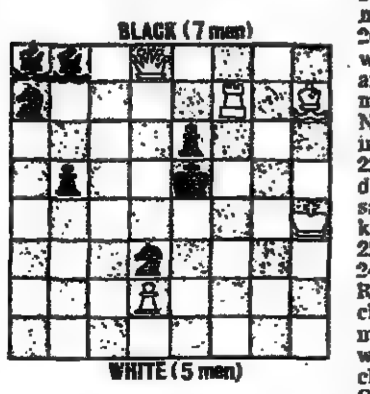


WHITE (14 men)

Robatsch v. Makarichev, Lublin 1976. Grandmaster Robatsch (White, to move), continued 1 P-B4 and both players analysed the forced sequence 1...BxB; 2 PxN,BxR; 3 PxN,QxBP; 4 N-K4. Each concluded he had the advantage. Who was right?

PROBLEM No. 274

BLACK (7 men)



WHITE (5 men)

White mates in two moves, against any defence (by J. H. Billington).

Solutions Page 17

BRIDGE

E. P. C. COTTER

DAY BRIDGE, as you expect, produces much stranger than fiction. At me time, there may be to interest and instruct. look at two hands which ed when I was away last Here is the first:

N.
♠ A 4
♡ A K 9 4
◇ A 10 9 6 5
♣ 7 2

W.
... 7 4 2
... 10 6 4 3

E.
♠ K J 10 8 2
♡ J 8 6 3
◇ K J
♣ 8 5

S.
♠ Q 9 7 6 5 3
♡ Q 10 5
◇ 3
♣ A K 9

...ing South at game all. I and bid one spade, my ... forced with three diamonds, and raised my rebid of three spades to four spades.

West led the club Queen. East played the eight, and I won with the Ace. Rejecting any idea of ruffing a club on the table, I decided to draw trumps, and led my spade three. West's failure to follow suit was a nasty shock, but I cashed dummy's Ace and returned the four. After some thought East won with the King and led the five of clubs.

Winning with the King, I led my diamond to dummy's Ace, and returned the five which I ruffed in hand, a normal procedure in this type of situation. On these two tricks East dropped the Knave and King, and if these were true cards, his hand pattern appeared to be 5-4-2-2, so I cashed the Queen, King, and Ace of hearts, West discarding a club on the third heart, to confirm my count on East's hand.

I continued with dummy's heart nine. East covered with the Knave, and I had a choice of plays. I could ruff in hand and cash my trump Queen for my tenth trick, but I preferred to discard my losing club. East then led the Knave of spades—I ducked, of course—and now he had to lead into my trump tenace. The contract was made with three hearts, one diamond, two clubs, and four trump tricks.

Here help from one defender produced an intriguing end-position:

N.
♠ K J
♡ A J
◇ A J 10 7 5
♣ J 6 4 3

W.
♠ Q 6 3
♡ K 10 9 7 6
◇ 2
♣ K 10 8 2

E.
♠ 10 9 8 7 2
♡ 5 3
◇ K Q 4 3
♣ A 7

S.
♠ A 5 4
♡ Q 8 4 2
◇ 9 8 6
♣ Q 9 5

North-South were vulnerable when my partner, sitting North, dealt and bid one diamond. As my partner was weak, I bid one no trump instead of one heart, and West came in with two hearts—*she, too,* was a poor performer—and North rebid three diamonds. When this was doubled by East, I said three no trumps, and after two passes East doubled again, and that ended the auction.

Rejecting a lead from either red suit, West started off with the club two, and East won with the Ace. Instead of leading back a heart or a club, East led a spade, and West's Queen lost to the King on the table. I now led *dummy's diamond five*, East took his Queen, and returned another spade. The diamond Knave was taken by East's King, and a third spade cleared the suit.

Now unless East had false-carded with the club Ace and had the King, I would get home with three spades, two hearts (after finessing the Knave), three diamonds, and one club, so *I led my two of hearts*. West played *the King*, to "force out the Ace." I cashed the Ace and ten of diamonds, throwing my nine of clubs.

In the four-card ending West had ten, nine of hearts and King, ten of clubs. When I played the last diamond from the table, discarding my club Queen, West threw a heart, so I overtook dummy's Knave with my Queen to make an overtrick. If West bares the club King, she is thrown in with a club, and must give me my heart Queen.

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Saturday June 30 1979

Sterling and catch 79

THE FOLLOWING appears to be a proposition in the economics of Colney Hatch. Sterling is strong because the UK money supply is controlled, whereas some leading competitors, such as Germany and Switzerland, have resumed the game of printing money to support the dollar. But the UK money supply is only under control because of the balance of payments deficit on the current account: the money created by very high bank lending is leaking overseas. Therefore sterling is strong because the balance of payments is weak.

If the same train is traced backwards, it reaches a different starting point, but not, it seems a much saner one. It goes like this. The balance of payments is weak because sterling is so strong. But sterling is so strong because of the benefits of North Sea oil. Therefore the balance of payments is weak because of the benefits of North Sea oil.

Important elements

There are in fact important elements of truth in both these propositions: they look mad simply because they are over-simplified. The obstinate strength of sterling, which rose to a new post-1975 record yesterday, the persistence of very high loan demand, and the weakness of the current account are three elements in a situation which is puzzling both to the markets and to the Government. The Government seems for the time being resigned to the prospect of a recession in the UK, without any clear promise of recovery as the likeliest outcome.

The central clue to the problem is monetary policy. A monetary target which is effectively in the 8-12 per cent range, at a time when wages in the private sector have risen by 14 per cent, and prices are expected to rise by more than 17 per cent, can only be achieved in a very flat or declining economy. Until inflation is reduced, any effort to achieve real growth will create such strain as to stop any recovery in its tracks, and possibly to make the monetary target unattainable. Meanwhile, high interest rates help to drive sterling higher.

Warning signs

For the time being, at least, the economy seems to be taking no notice of official policy. The spending spree provoked by a combination of high wages and the desire to buy before VAT was raised in accordance with Government policy created a mini-boom. This is reflected both in credit demand and in the sharp fall in unemployment. Such a burst of activity has some momentum of its own. There is little sign of relapse yet.

It is this spectacle of an economy which seems to be disregarding the monetary warning signs—and a high exchange rate, which implied cheap imports, is one of those signs—which has been worrying the gilts market in particular. Recent U.S. experience is an uncomfortable reminder that performance can ignore Government policies, objectives and forecasts for long periods. We have a credibility gap.

Against this background, the OPEC price increase has mixed implications for Britain. It increases the relative attractions of sterling and the likelihood of a downturn; but it also increases prospective cost pressures.

For the time being the "good" news has tipped the balance. Sterling's rise accelerated last week, and the two Government tap stocks, dormant for ten days, suddenly came to life. The shorter was exhausted, and there was fairly heavy support for the long tap. However, this support for the market—which came partly from overseas—hardly showed the conviction which has caused the great bull markets in gilts in recent years, as the tight policies imposed by external pressures were seen to work. The Government's strategy is still seen as a risky one.

The acid test will be the next wage round. The Government is relying on intense competitive pressures, coupled with a general fear of recession, to implant realism in the minds of wage negotiators. This implies either modest settlements, or real and substantial improvements in efficiency.

Precarious balance

In spite of the discouraging example of the Chrysler labour force in Coventry, which is confirming its death-wish reputation by calling a strike in support of a 20 per cent claim, there are some grounds for hope. There are some reports of remarkable recoveries from winter disruption, and the TUC leadership has so far responded rather mildly to policies little to its taste. Faced with political defeat and foreign competition, militancy looks less fun.

However, the wage outcome, like the monetary outcome, is not likely to be favourable unless the present boomlet subsides fairly promptly. In the topsy-turvy world of 1979, bad news is good news. Both anti-inflation policy and the need to conserve energy (and so disarm some militants overseas) dictate the need for a cooling-off period in the economy. Until it begins, both the monetary system and the markets will be in precarious balance.

THE PROSPECTS AFTER THE LATEST OIL PRICE RISE

BY PETER RIDDELL

Growing gloom over threat to world prosperity

THE POSSIBILITY that the world now faces a combination of recession and accelerating inflation over the next year was turned into a virtual certainty by the decisions of this week's meeting of oil-producing states in Geneva. This remains essentially unaffected by the much-heralded summit of the leaders of the seven major industrialised countries in Tokyo.

The latest — and very public —round in the energy crisis has inevitably raised the question whether the world is heading for a repeat of the recession, the most serious since the 1930s, of four years ago, which followed the oil price increases of 1973-74. The current position is in many respects very different, but still serious over the long-term.

Last year's hopes

The current universal gloom is in marked contrast to the qualified optimism of last autumn. There were then hopes that the industrialised world was at last on course for sustainable and non-inflationary expansion after three years of faltering recovery. This balance was expected to be attained through the combination of slower U.S. expansion and more rapid growth in Europe and elsewhere.

These hopes were short-lived. Even before the Iranian revolution and the subsequent leap-frogging rises in oil prices, inflationary pressures were building up in the main industrialised countries and threatening further recovery.

The key factor has been oil. The new prices agreed in Geneva this week mean that crude oil will cost on average over 50 per cent more than last year. On the basis of the conventional forecasting arithmetic this will directly add at least 2½ percentage points to the average rate of consumer price inflation in the industrialised countries—which was about 7 per cent last year.

The impact on the growth of total output is less certain and depends both on how the oil-consuming countries respond and on the level of the oil-producing countries' imports.

As a broad rule of thumb the rise in oil prices may reduce the growth of total output in the industrialised world next year by about one percentage point to possibly less than 2 per cent. This compares with an average rate of expansion of nearly 4 per cent a year in the last decade.

The calculations are inevitably tentative because so much depends on how governments and individual consumers react. But at best there is likely to be what is known in the jargon as a "growth recession" when any increase in output is unlikely to be enough to prevent a rise in unemployment.

The impact will be less than in 1973-74 to the extent that the rise in oil prices is in percentage terms so far much smaller than the quadrupling which occurred then. But that was purely a result of a monopoly squeeze on prices. Indeed the later weakening of demand during the recession of the mid-1970s resulted in a fall in real oil prices, that is compared to industrial countries' export prices.

Currency crisis

The position now is different, and more worrying. This is because oil supply is effectively limited—rather than flexible as in 1973-74—and thus price is determined by demand. The prospect of a continuing tight supply position—according to most pundits' projections—may mean that the real oil price could rise further.

This would mean that the actual oil price would increase more sharply than the general world price level. And this would effectively result in a shift of resources to the oil-producing states. This explains why the seven leaders meeting in Tokyo were so concerned about limiting the demand for energy and why they were so keen to reach an agreement on limiting oil imports—even on the basis of the apparently confused two-tier plan that finally emerged.

The short-term impact will also depend on the extent to which Western governments attempt to protect living standards as the UK, France and Italy did in 1974 and 1975. This is now much less likely, partly because of the currency crises these countries had to face in 1976. During the Tokyo summit both Mrs. Thatcher and Mr. Roy Jenkins, the President of the EEC Commission, said the rise in oil prices could not be reflected in higher wages and would mean a loss of real income.

Moreover, existing concern about inflationary pressures has resulted in a tightening in the fiscal and monetary stance of both the U.S. and several European countries in the last few months, as shown by rising interest rates. This could mean that the downturn in economic activity could be relatively larger than in the mid-1970s.

Similarly, the longer-term inflationary impact might be less than before because Governments are now much more conscious of the need to take action before pressures build up too strongly. This attitude is likely to be reflected in tight monetary policies but also in specific conservation measures, such as higher taxation on energy supplies and speed limits and other consumption limits. But higher prices rather than exhortation are likely to be the most effective constraint on demand.

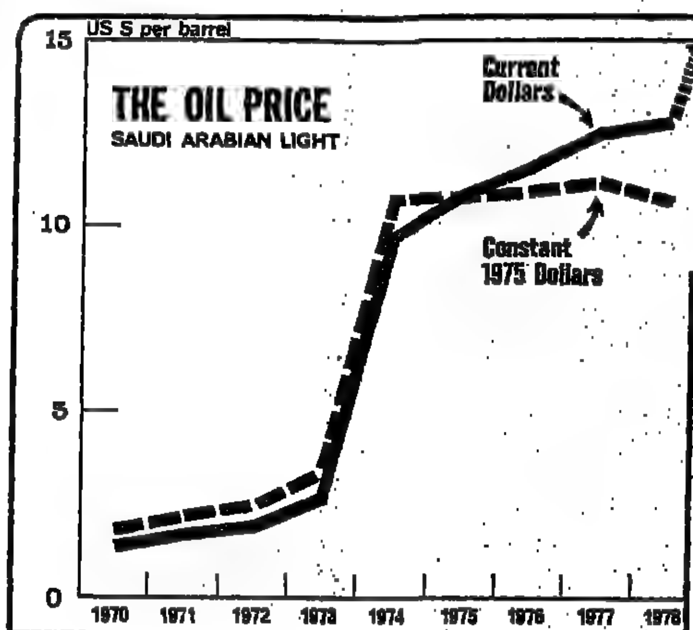
The outlook will also be affected by the big financial transfer produced by the rise in prices. This is likely to increase the investible surplus of the oil-producing countries—what is left over after imports—from about $11bn in 1978 to at least $45bn this year. This will have an obvious impact on the capital markets and the intriguing question is how much of this surplus will go into New York (rather than Frankfurt or London) after the dollar's problems of the last couple of years.

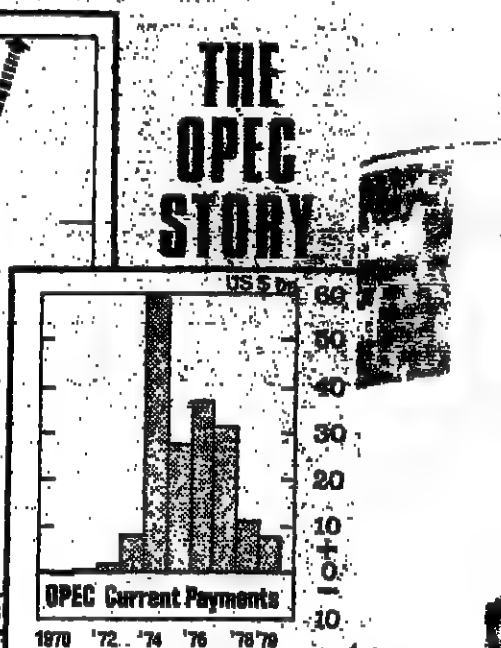
At the same time, the external position of the industrialised countries, particularly the smaller ones, will deteriorate, and there could be a switch from a total current account surplus of $6bn last year to a deficit of nearly $20bn this year, compared with $28bn in 1974.

The banking system proved capable of coping with these capital flows in the mid-1970s. But this time there is the extra challenge that the financial position of the non-oil developing countries—the worst victims of the oil prices increase—is already much weaker than in the early 1970s. External indebtedness of these countries has grown rapidly in the past few years, together with increased concern about their credit-worthiness. This will make it harder for them to borrow more to finance increased oil payments.

The overall result is that world output is now oil-constrained, or perhaps more accurately price-constrained. Until inflation and the demand for energy are brought under control, there is little hope of any significant growth. Apart from the short-term energy conservation measures this is likely to intensify the longer-term search for alternative sources of energy, notably nuclear power.

Indeed the industrialised West is now paying the price for the slowdown in the development of nuclear energy since the early 1970s. The belated drive to build nuclear power stations now could involve very large expenditure in the next decade and a squeeze on present living standards. The real lesson of 1973-74 is that higher oil prices have to be paid for sooner or later by consumers and that applies as much to an oil producer like the UK as to other industrialised countries.





THE GENEVA MEETING

Shaky deal despite Saudi compromise

WHEN THE implications of the Iranian revolution for the international oil market had become clear in January, Sheikh Ahmed Zaki Yamani said that Saudi Arabia's power to control prices by itself had been significantly reduced. So it proved at the Organisation of Petroleum Exporting Countries' Ministerial conference in March, and once again at this week's meeting in Geneva.

Twice Saudi Arabia has exercise da measure of restraint by settin ga lower base price for its own oil than other members of OPEC, albeit at levels higher than it wanted. Yet the $18 no wset for a barrel of Arabian Light is no less than 46 per cent above the level of last year and 26 per cent above the level originally proposed for the third quarter at the OPEC conference in Abu Dhabi late last year. That conference ended an 18-month price freeze begun in mid-1977 which had been greatly supported by slack world demand.

Faced with the frustration and anger of producers who had felt most acutely the inflationary erosion of the purchasing power of their oil revenues, Sheikh Yamani increasingly used these market conditions as an argument for restraint, rather than consideration for the economic health of the West.

When as a result of the Iranian revolution the market conditions changed, he was hardly in a position to alter the argument.

Though, at Geneva, Saudi Arabia compromised at a base price, for itself, of $18 rather than $17 in return for a top price imposed by others of $23.50, the damage could have been worse.

The compromise—as it stands —will have to be regarded as having achieved roughly what was possible for consumers. No one in OPEC pretends that it is in any way perfect. However, the general view seems summed up by Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil. After the meeting he said: "Some order at least has been restored to the market. We have agreed on a two-tier price system on the one hand, and prevented further escalation from taking place, on the other hand."

He added the very grave proviso, also spelled out in the OPEC communique, that any significant depreciation of the dollar would lead to an extraordinary conference to consider revising prices upwards on the basis of an index made up of stronger currencies. That puts one big questionmark over the future of the compromise reached at Geneva.

Delegates themselves seemed less than certain as to how binding the commitment not to exceed $23.50 was and how long it would be valid for. For instance, Dr. Humberto Calderon Berti, Venezuelan Minister for Mines and Hydrocarbons, described it as a "gentleman's agreement." Asked about the nature of the commitment, Mr. N. Ait-Laussine of the Algerian delegation, said it would remain in force "until there are changes in the market up or down."

Mr. Izzedin Mabrouk, the Libyan Minister, described it as a binding obligation for three months. Thereafter everything would depend on the market. Mr. Fra Marinho, leader of the Nigerian delegation, told a U.S. businessman that his country intended to sell half of its output not pledged under long-term contract at no less than $30.

The most serious possibility of a major breach could arise if the Saudis allowed production from their main fields to rise above the official ceiling of 8.5m barrels a day. Libya and Iraq let it be known that their adherence to the agreement depended on other members not raising their production. The indications are that the Saudis will put only a little more oil on the market if they are satisfied with the decisions taken in Tokyo.

Then there is the problem of the spot market with its recent high prices. OPEC States have undertaken to limit their transactions on the spot market. Iran has been the main spot seller. Mr. Hassan Nazih, leader of the Iranian delegation, admitted that quantities had been sold in this way after the resumption of exports in the spring and before new long-term contracts were signed. It remains to be seen whether Iran will really withdraw from that market. Overall the fact has to be faced that the OPEC compromise, and especially the $23.50 ceiling on premium crudes, could be very soon undermined by one or several or a combination of factors.

Richard Johns

Letters to the Editor

Tourists and VAT

From Mr. A. H. Scott

Sir,—I read Mr. Ingham's letter (June 28) about the poor tourists and VAT.

Readers and your staff who travel abroad to countries where these tourists come from will know that for years we have had the rough edge of the stick in these matters paying their high indirect imposts, while they themselves have not paid so much income tax. They, in turn, have been laughing when they come here.

In New York, for instance, there is a sales tax and also a $1 per bed night in hotels. In Bermuda, they pay no income tax at all and visitors pay their high indirect taxes, especially on drinks. There is plenty of VAT in other parts of the EEC.

If hotel charges are too high in London, it is because of the rapacious hotel owners. In one THF hotel they charged me £1.22 for a gin and tonic (pre-VAT rise) which seemed no different from ones one buys for 60p. However, they are not alone: in France restaurants are marking up wine prices by 300 per cent.

A. H. Scott,
102, Beeches Road,
Chelmsford, Essex.

Pay as you spend

From Mr. W. Klicnlooh

Sir,—I have read with interest Mr. Harold Ingham's comments on the effects the increased rates of VAT are having on the tourist visiting Britain from abroad and although I can sympathise with those tourists who have already paid for their package holiday in full and are now faced with an immediate increase in their holiday costs, I certainly cannot agree with the remark that the increased VAT rate is intended to apply purely to citizens of this country. On the contrary I fail to see why foreign tourists should be subsidised when visiting this country by the British taxpayer because our tax system used to favour direct over indirect taxation.

When British tourists travel abroad in most other countries they are faced with a much higher rate of VAT than that applied in this country and obviously visitors from those countries coming to Britain will not be surprised at our rate of VAT now being 15 per cent.

I feel that the "pay as you spend" policy which has now been adopted by the Government, goes a long way to even out anomalies in spending power that used to exist between British residents and foreigners visiting the UK.

W. K. Kleinlooh.
Ansteys,
Camp Road,
Gerrards Cross, Bucks.

Tax them more

From Mr. Maurice Colton.

Sir,—It is all very well for Mr. Harold Ingham, writing from a rural Sussex, to suggest that tourists should be exempted from VAT.

If he lived in central London he would know of the strains that the growth of tourism has placed on the public services. If he has any doubts, I would invite him to visit Queensway, preferably at the weekend.

One of the compensations of a 15 per cent rate of VAT is the increased contribution that overseas visitors are making to the public purse. We should, however, be given urgent consideration to a tourist tax, not to exemptions.

Maurice Colton,
Chairman, Princess Court Residents' Association,
32 Princess Court,
Queensway, W2.

Wintoniana

From Mr. Nicholas Kenyon.

Sir,—I can only apologise to the distraught Wintonians (June 14). Without the benefits of a public school education, I am at a loss to distinguish with any precision between a city and a town, or a school and a college, let alone between men and boys. However, I really ought to know the difference between Arthur and Alfred: I can only blame that on Winchester's insane traffic system, which prevented me from having a good look at the king in question. Sorry.

Nicholas Kenyon,
London, W9.

Unit gains

From Mr. Keith Tunstall.

Sir,—Last week the unit trust industry announced another poor set of monthly figures. One possible cause of the decline over the last few years in the number of unit trust investors is the unfavourable capital gains tax treatment. Unit trusts are particularly suitable for the small investor, enabling him to achieve a spread of investments with a modest outlay. It is unlikely that his gains will reach the annual £1,000 exemption, yet paradoxically any gain he does make will already have borne CGT paid by the trust. The notional CGT credit attaching to the gain can only be set off against a CGT liability and hence is valueless to the average small investor.

Keith Tunstall,
39 Grove Street,
Leamington Spa,
Warwickshire.

Labour's lump

From Mr. J. W. H. Brazier

Sir,—May I refer back to an excellent article of some six months ago by Mr. Brittan "The Lump of Labour Fallacy," in which he exploded the centuries old theory that investment in labour saving equipment leads to unemployment? The recent budget shows that it is in fact a very different fallacy which dominates the attitude of both major political parties to the subject of investment. The conventional view seems to be that since prosperous countries have high levels of investment, government incentives to invest will somehow make us prosperous.

Thus the Government continues to offer 100 per cent capital allowances to industry, as well as substantial regional investment grants. For individuals tax relief is given on mortgage interest payments and pension contributions and Sir Geoffrey Howe chose in his budget to make special provision to maintain the rate of tax relief on life assurance premiums.. Some analysts even went so far as to suggest that a switch from direct to indirect taxes would provide a further (supposedly beneficial) incentive to save and thus to invest.

'For many years we adopted the happy belief that spending led the way to prosperity. Now it seems it is investment's turn. Not only is there little evidence to show that the extensive investment incentives have made us prosperous but I believe that examination of the figures here and in Italy (the other major developed country which pursues similar policies) may well show that this form of government interference is actually harmful. Perhaps the "Lump of Labour" fallacy may have a more credible variant namely that investment inspired by Government, beyond that level determined by the market, leads to higher net unemployment.

J. W. H. Brazier.
123, Alderney Street, SW1.

Rotations

From Mr. David W. Hearsey

Sir,—The letter from the retired airline pilot, Mr. Parker (June 27) is rather mind boggling by the suggestion that a ham-fisted pilot could cause gyroscopic force to twist off an engine pylon. I presume he means the couple between that force and G at 90 degrees. One would think the designers would have thought of that, but perhaps not. I remember my father in World War I talking about, I think, the rotary gnome engine which if you weren't careful would rotate the aeroplane leaving the propeller standing still. Also, later myself as a part-time amateur pilot in World War II had experience of an early Halifax the designers of which had designed aesthetically shaped tail fins which proved to be too small aerodynamically: one must say though, they did tend to stay on.

All things being considered one would recommend Mr. Parker, if he doesn't like being rotated abruptly, not to reside in Mallorca but to move back to the UK where he can go home on a bicycle. There again one cannot be too sure because recently my folding bicycle folded whilst I was on it causing some embarrassment to my private person.

David Hearsey.
The Lodge,
Long Riston, East Yorkshire

Fuel economy

From Mr. J. D. Sutherland

Sir,—After the motor-car industry had had a clear warning in 1974 that cheap fuel was a thing of the past, in some countries they concentrated not only on improving fuel economy, but on making smaller cars.

It is, therefore, little short of pathetic that all the British car makers can now offer is to reduce petrol consumption by 10 per cent by 1985. Do they not realise that by 1985 the number on our roads will have fallen dramatically, and that long before even this year is out, motorists will be switching fast to smaller, more economical cars.

British Leyland still seems to think that there is a future for big cars, instead of trying to make Minis profitable. One cannot help wondering if they deserve to survive.

J. D. Sutherland,
41, Westella Way,
Kirkella,
Hull, North Humberside.

Indexed VAT

From Mr. A. F. Donovan

Sir,—Since the increase in VAT is to have a marked effect on the cost of living index, thereby leading to increased demands in the next round of wage negotiations, would it not be logical to incorporate in the index a figure to reflect the average income-tax paid by consumers?

In theory, if the amounts are properly weighted, a straight switch from income-tax to VAT should leave the cost of living index unaltered.

A. F. Donovan
31, Stanhope Road,
Croydon, Surrey

Water waste

From Mr. R. E. Crawford.

Sir,—The Reading Ratepayers Association's call, per Mr. Hampshire's letter (June 26), for Government action on the water authorities is more than timely.

My account from Thames Water for the first half of this year was at the rate of over £3 per 1,000 gallons, an increase of 11.6 per cent over the previous half year, and of no less than 99.5 per cent over the same period in 1977.

In the great drought a few years ago, fresh water from Ireland delivered by tankship was offered at £1 per 1,000: it is quite outrageous that local distribution of freely available water should cost more than a fraction of this amount, and that conservation by consumers should put up the unit cost, while waste and extravagance lowers it.

Mr. Hampshire particularly mentions legality. In the past three or four years I have read of Thames Water officials in court, not for supplying themselves with Rover and Jaguar cars from the rates, but only for charging their private motoring in these expensive vehicles to the public: other officials were in court for paying themselves London living allowances while residing in Reading: mass junkets to the furthest and most expensive capitals of the world have taken place without regard for public benefit, and large real estate deals take place behind a blanket of non-information: how extensive are these practices, and what, for instance, happened to the potential multi-million pound surplus from the development by the Metropolitan Water Board of its vast and valuable Campden Hill property?

Thames Water has some cosmetically impressive structures to its credit, but at what cost, and to whose profit? A rigorous public audit of corporate and individual finances would provide the answer, and some much needed discipline.

R. E. Crawford,
70, Abingdon Villas, W8.

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Job creation and UK small firms

BY JOHN ELLIOTT, Industrial Editor

TIME when fears are g about unemployment to new record levels in xt few years, a report* he U.S. has dropped on ıks of Ministers and civil s in Whitehall rein- their belief that the best create employment is to ıge the creation of new irms. The report, which plications for both small ınd regional policies, has repared by the Massa- s Institute of Technology based on a study of 5.6m ses in different parts of . It suggests that there ıevitable "life cycle" of ies being created and and thus supports the Sir Keith Joseph, the y Secretary, that it is *to encourage* the entre- and innovator to start ısinesses than to spend sh bolstering up old and nt industries.

job generating firm o be small. It tends to ıamic (or unstable, ng on your viewpoint) ind of firm that banks y uncomfortable about. to be young. In short, ms that can and do the *most jobs are the* at are the most difficult h through conventional initiatives," says the

ıstrations

words have met with recognition in Whitehall where because of frus- among policy makers ow to make contact with ms needing help and to them with financial and sistance in their early Ministers have already after being in office for ew weeks, that the Bud- subsequent tax packages be sufficient to reinvig- nall firms which at pre- sent employ a quarter of Britain's workforce.

The new Conservative Industry Ministers have told their civil servants to re-examine all possible small firms' policies and they have seized on the MIT report as valuable evidence to support their claims for special help from the Treasury when the competing spending plans of different departments come to be assessed.

The MIT report, whose findings match those of earlier inquiries in the UK about employment and small firms, starts from a concern that an inability to understand the gap between micro and macro events seriously hampers efforts to develop economic policies that will generate jobs for the people and places that need them with*out causing inflation.* Because little is known about where and by whom jobs are generated, the report says that governments have usually tried to stimulate whole economies with such "shot-gun-like policies as tax incentives and easy access to money and public works programmes." It points out that this can be a "very expensive and inflationary strategy if, in fact, most recipients do not use the incentives to increase *employment.*"

The MIT researchers have tried to bridge the micro-macro gap by studying the ways jobs were generated in the 1960s and early- to mid-1970s by 5.6m business establishments covering 82 per cent of private sector employment in the U.S.

One of the report's conclusions is that "It makes little sense to attempt to influence firms to move (in the physical sense), *nor is there much opportunity,* short of influencing the business cycle, to influence the rate at which firms contract and go out of business. Practically all the leverage lies in affecting where firms locate, and where existing firms choose to expand. It thus becomes quite important to know what kinds of firms generate jobs."

This led to statistical studies which showed that very small firms—employing 20 or fewer people—generated a remarkably high 66 per cent of all the new jobs in the U.S. between 1960 and 1976.

Middle-sized and large companies generated relatively few jobs. Those employing 21 to 50 people provided 11.2 per cent of the total, those with 51 to 100 provided 4.3 per cent, and those with 101 to 500 employees 5.2 per cent.

Failure rate

"It appears that it is the smaller corporations, despite their higher failure rate, that *are aggressively seeking* out most new opportunities, while the large ones are primarily redistributing their operations. This very strong basic finding raises questions about a life cycle phenomenon. Could it be that most firms start small, that some grow, and that once a corporation has stabilised at some level, it becomes mature and contributes very little to job generation?"

The researchers looked at the age as well as the size of companies generating jobs and found that both factors are important. The statistics showed that about 80 per cent of all jobs were created in companies up to years old, a figure which dropped dramatically to about 9 per cent for five- to eight-year-old companies and to 5 or 6 per cent for those nine or more years old. These figures applied to all areas of the country and *and all sectors of the economy.*

Backing up these conclusions, the researchers also found that the odds of a business dying in its early years are high and that businesses with 20 or *fewer* employees are more likely to die than to contract when they run into trouble. "Of those who survive, small firms are four times more likely to expand than contract, and larger firms are 50 per cent more likely to shrink than to grow."

The main survey period of 1969-76 was then divided into three two-year phases and the progress of firms was studied to see how the history of a business in the first two periods affected its performance in the third. This showed that two or three times as many jobs were created in businesses emerging from a period of decline than by those which had recently been extremely successful or were generally regarded as "stable." Although this is hardly a surprising conclusion, it supports the general tenor of the report's conclusions.

"It is no wonder that efforts to stem the tide of job decline have been so frustrating—and largely unsuccessful," says the report. "The firms that such efforts must reach are the most difficult to identify and the most difficult to work with. They are small. They tend to be independent. They are volatile. The very spirit that gives them their vitality and job generating powers is the same spirit that makes them unpromising partners for the development administrator."

"The easier strategy of working with larger 'known' corporations whose behaviour is better understood will not be, and has not been, very productive. Few of the net jobs generated in our economy are generated by this group. Furthermore, the larger corporations, using their financial strength, are the first to redistribute their operations out of *declining areas into growing* ones. They do not hesitate to locate branches in greener pastures, placing an even greater burden on the small firms in struggling areas . . ."

This leads to the conclusion that attention should be given to encouraging job replacements rather than trying to influence the rate of job loss. "Do not count on, or address major resources towards, larger corporations, whose powers of net generation are small and whose tendencies to shift location quickly are well demonstrated," says the report.

It also points out that a massive new bureaucracy would be needed to monitor all small businesses and recommends that it is better to rely on existing institutions.

These conclusions are very much in line with the thinking of Ministers in London. A Small Business Administration (as exists in the U.S.) is unlikely to be set up despite tentative support for the idea earlier this year in the Wilson Committee on Financial Institutions' small firms report. Some of the Industry Department's selective aid schemes may also be re-orientated towards small and medium sized businesses. Ministers are more interested in boosting the regions by encouraging entrepreneurs and innovators than by spending vast sums of aid on attracting inward investment projects from multinational companies (although the need for such investment is *also recognised).*

Amendments

Many of the Government's plans have yet to be finalised but it has already been announced by Ministers that small firms are to be helped by amendments to employment and company laws. The Department of the Environment has also been asked to devise ways *of easing planning approvals, for* one or two rooms in a house or other non-industrial building to be used by the founder of a small business.

A wide-ranging study is being conducted of small firms' financing problems. Talks are to be held by Ministers and their advisers with the clearing banks about the provision of loans, maybe but not necessarily through the sort of loan guarantee scheme that the last Government was pushing (although there appears to be no question of any government finance being provided to fund such a project).

Sir Keith Joseph and his small firms' Minister, Mr. David Mitchell, believe that the primary problem is the provision of equity rather than loans. But they are coming to the conclusion that, since the equity problem may be so difficult to solve, the question of loans must be tackled as well. One of the difficulties is that clearing bank branches are not equipped to assess the risk of *unproven business ventures*—a job, however, that is done effectively by two State-backed organisations—the Council for Small Industries in Rural Areas (COSIRA) and the Agricultural Credit Corporation. One idea now being studied is whether the Industry Department's regional small firms' counselling service could ease the provision of loans by performing a vetting role, maybe together with COSIRA, for the clearing banks and for other organisations like the Industrial and Commercial Finance Corporation.

The main equity problem is that small businessmen hate having to hand over a share of the ownership or management of their businesses to financial backers. The Industry Department is therefore looking at the concept of a small businessman being able to buy out his financial backer after a period of *time, and at ways of limiting* the powers of interference by providors of finance. A new State-backed scheme being introduced by the West German Federal Government for small firms' venture capital is also being looked at, and an idea being discussed in Whitehall and the City before the general election for a government-backed scheme to help cover the administration and guarantee costs of venture capital companies providing funds for small *companies may also be looked* at again.

The advent of a primarily non-interventionist Conservative Government will not therefore spell the end of the search for detailed ways of helping the small firm. Ministers and their civil servants are well aware that, as the MIT report points out, a large number of small firms must be helped if there is to be any measurable effect on the nation's employment figures. Ruefully they must also echo *the MIT comment that these* firms are the most difficult to reach through conventional policy initiatives.

* *The Job Generation Process, by David L. Birch. MIT Program on Neighbourhood and Regional Change, Cambridge, Mass. 1979*

PERCENTAGE OF TOTAL JOBS GENERATED IN U.S.

(by size and status for regions, 1969-1976)

Number of employees

Owners	0-20	21-50	51-100	101-500	500†	Total
Region						
North East						
Indep.*	129.1	−11.2	−22.3	−21.1	24.3	98.8
HQ/Br.†	36.4	10.5	1.3	− 6.6	−32.8	8.8
Par/Sub.‡	11.6	7.2	3.6	− 5.5	−24.4	− 7.6
Totals	177.1	6.5	−17.4	−33.3	−32.9	100.0
North Central						
Indep.	52.8	4.5	0.3	− 2.8	2.9	57.7
HQ/Br.	12.4	5.8	3.8	4.9	13.1	39.9
Par/Sub.	2.0	1.7	1.2	1.0	− 3.5	2.4
Totals	67.2	13.0	5.3	3.1	12.4	100.0
South						
Indep.	42.7	5.7	1.5	0.0	0.4	50.1
HQ/Br.	9.3	4.0	2.9	7.4	16.7	40.3
Par/Sub.	1.5	1.5	1.1	2.0	3.3	9.6
Totals	53.5	11.2	5.5	9.4	20.4	100.0
West						
Indep.	47.8	5.9	2.2	1.9	2.9	60.8
HQ/Br.	10.0	4.3	3.0	6.2	8.6	32.0
Par/Sub.	1.7	1.4	1.1	1.8	1.8	7.2
Totals	59.5	11.6	6.3	9.3	13.3	100.0
U.S.						
Indep.	51.3	4.4	0.0	− 1.5	3.1	57.8
HQ/Br.	11.9	4.9	3.1	5.6	10.6	36.1
Par/Sub.	2.2	1.9	1.3	1.1	− 0.5	6.1
Totals	66.0	11.2	4.4	5.2	13.2	100.0

Total jobs generated in each region are: North East (410,390), North Central (1,674,282), South (2,873,619), and West (1,800,112).

* Independents

† Headquarters/branches

‡ Parents/subsidiaries

Source: MIT

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JS BRITISH hoteliers tely home-keepers con- about petrol-starvation ake some comfort from ey-suited, well-pressed on from the Walt Disney tion which has just left Earlier this week the origade threw a discreet the Savoy for institu- *d other likely investors* ıey stock. California, home territory, was he first places to suffer k of short supplies and lines. It was enough to e smile from the most le of Mickey Mouse's tendances at Disneyland first few weeks of May fell.

Mickey bounced back, w Disney is running of 1978 figures. The is, can England's West and the Scottish ds, not to mention the elds of Ireland, hope to the Californian come-

problem for the British is that the fuel troubles t at the wrong time. four weeks after the lian gas drought the UK shortage coincided too with the start of the season. It also coincided ne of the worst mid-year we have had for a very ıe. The combination has it the impulse market. areas of the business ook to longer term book- otably holiday camps. rdly seen a dent in their Butlins is bursting at ns. The bed and break- ade, however, is now to its supposedly peak many a landlady is ars.

country tourist Board Peter Chester, talks "exaggerated rumours" kohs that although "the position did vary from place, here as elsewhere and, at no time was any of this region cut- r Chester might be right his own confines, but to the west from other f the nation have often cross areas bereft *of* d fuel supplies. A position holds in the ds, where there is fuel found by the diligent r. The problem, at the ds, has been getting

has quite often hap- is that supplies have educed by the oil com- on the basis of what was st year. But the summer 8 was a good one for traffic *in many* places is a small cut in supplies aves plenty of fuel in suffering from reduced as a result of bad and panicked motorists. me places the impact on pulse trade has been ng. Says Dr. David n, head of the Highlands slands Tourist Board's r division: "Chance s suffering badly in some and in this aspect of the situation that we must trate our action." He s that "anything which reduces demand could erious effects on the viability of many enterprises, from *hotels and guest house to transport* operators and crafts manufacturers."

Given that fuel supplies seem to be easing everywhere at the moment now would appear the time to snatch a break. There are plenty of rooms in the resorts, fuel prices have yet to reflect the latest round of Opec price rises, and the weather has been a bit brighter. And, if its any comfort, Micky *Mouse clearly* thinks we're through the worst.

Resort areas with lots of fuel and precious few visitors . . . Mexico City grows and grows . . . The MP who plans to pilot his own airship.

Keith Wickenden: feet on the ground.

Mexico edges towards the super-city

How do you cope with a capital the size of Mexico City? It lies 7,500 ft above sea level, has, at the latest count, around 14m inhabitants crammed into it, which is one fifth of the country's total population, and 2m cars use its streets. Add to this the fact that an estimated 1,000 people a day arrive in the metropolitan area from the impoverished countryside, and the local birth rate also provides an annual population increase of 3 per cent and it is no exaggeration to say that it *will be the* world's largest city by the end of the century. It will then have a population of 30m.

Since Hernan Cortes conquered Mexico in 1521, when the capital was set in a lovely lake and the word pollution had not been invented, Mexico City has become a byword for smog, traffic jams and all manner of urban neuroses. Amazingly, the suicide rate is not high, but that speaks for the high tolerance of *Mexicans.*

The capital's Regente, a man with cabinet rank and infinitely more work and power than European mayors, has at last started to tackle the bewildering problems of his city. One step is the completion, on time, of 15 cross-city six-lane boulevards this week and the starting of a reforestration programme.

It is hoped that the new roads will mean that people won't have to *spend all day* getting across the city and, more importantly, can flee it at weekends. The planting of 15m trees between now and December will relieve the exhaust fume *poisoned atmosphere.*

The idea is to plant a "green belt" of 100m trees around the city. Another 30m trees will line the new boulevards.

As for the 83 miles of boulevards, they were finished at a cost of $367m only by employing thousands of workmen to drill through the night. However, the automatic traffic lights are not yet working and if Jacques Tati should ever think *of making a sequel to his film* Traffic he should rush to Mexico City before the lights start working.

There are still another 19 *Ejes Viales* as they are called to be built covering a further 229 miles around the city. Their construction has got everybody's back up and made Mayor Gonzalez unpopular. But if they solve the problem a statue will surely be erected in his *memory.*

Wickenden's SCI-FI Flight plans

Keith Wickenden is hoping to make the Guiness Book of Records. Not in his current role as chairman of European Ferries, even though that company did return a record profit earlier this month. Nor as the most-wooed shareholder in the much-publicised Furness Withy embroglio earlier this week.

Rather, suggests Wickenden, as the first pilot of the first skyship to cross the Channel: an historic happening he predicts will take place early in the eighties.

Euroferries has a conditional option on the first six sci-fi skyships—*they will look like a* cross between a 1931 airship and a 2001 flying saucer—to come off the embryo Isle of Wight production line. The condition, jokes Wickenden, is that he pilots the maiden voyage.

"I think it will be a very historic occasion. When I first heard about skyships back in 1974 I was very sceptical but now I am convinced that, unless some major technical snag which we haven't accounted for arises we will be flying them across the channel in the eighties. The Germans were flying them in the Atlantic well before the war, only theirs kept bursting into flame. We have, of course, eliminated that problem."

Wickenden doesn't foresee any difficulties either in getting a licence to fly his skyship. He already has a private pilot's rating for a single-engined airplane, and is about to move up to twin-engined status as well as getting an instrument rating.

A director of Brighton and Hove Albion Football Club, much of his winter flying is to the team's away games.

"I used not to be that interested in football. Then about 12 years ago my eldest boy—I have four aged between 7 and 20—became very keen, and I started to take him along to the local club on Saturday afternoons. I used to be rather disdainful about it all, pretend I wasn't interested. Then one very cold day I was standing on the terraces wearing a woolly ski cap pulled right down over my ears when we scored the winning goal in the last minute. I suddenly realised I'd got so excited that I'd thrown my ski cap into the crowd. After that I stopped pretending I wasn't interested."

Six years ago Wickenden became a director of the club, and his interest has become a passion.

Out of the soccer season Wickenden becomes a week-end farmer.

"We have 70 acres and we run about 300 sheep. Yes, I do take part in the physical side of sheepkeeping, the dagging and the docking. I'm usually the one who holds the sheep when they're being dagged. But my wife is the real farmer in the family."

Two or three times each summer Wickenden turns out for the village cricket team. "I keep wicket, which is not neces*sarily* the same as being a wicketkeeper. If there's one thing in my life I would like to have been good at, it's cricket. Now I'm an MP (he won Dorking for the Conservatives this year) I'll probably turn out for the Commons side. I don't think you have to be very good."

Contributors:
Arthur Sandles
Robyn Wilson
William Chislett.

Economic Diary

TODAY—*Mrs. Margaret Thatcher* in Australia for two days. European Community representatives, led by French Energy Minister, in London for talks with strategy group Organisation of Petroleum Countries, headed by Sheikh Yamani.

SUNDAY—British Steel Corporation price increases.

MONDAY—National Union of Mineworkers conference opens, Hotel de France, St. Helier, Jersey (until July 6). President *of Colombia, Sr. Julio Ayala,* at City of London banquet, Mansion House. Confederation of British Industry Monthly Trends (June). Hire purchase and other instalment credit business (May). Retail sales (May—final). Mr. Peter Walker, Minister of Agriculture, visits Royal Show, National Agriculture Centre, Stoneleigh. Ministry of Education and Industrial Society conference on industry and teacher education, 3, Carlton House Terrace, London. Construction Industry Training Board meeting *to discuss public spending cuts.*

TUESDAY—House of Commons begins three-day Finance Bill committee stage debate. UK official reserves (June). Capital issues and redemptions (June).

WEDNESDAY — National Economic Development Council monthly meeting under the chairmanship of Sir Geoffrey Howe, Chancellor of the Exchequer. House of Lords debates fuel.

THURSDAY—European Commission meets representatives of *member governments of shipping* conferences following the Commission's attack on cartel activities, Brussels. Lord Beswick, chairman of British Aerospace, at Scientific Instrument Manufacturers' Association luncheon, Cafe Royal, London. Statement by Law Commission on plans to end legal discrimination against illegitimacy. Housing starts and completions (May).

FRIDAY—Gross domestic product; personal income, expenditure and savings (first quarter).

UK COMPANY NEWS

John Brown meets profit forecast, and is optimistic

Taxable profits of **John Brown and Co.**, the gas turbine and engineering group, jumped from £23.2m to a record £28.37m in the year to March 31, 1979, on turnover £106m ahead at £389.8m. The surplus was in line with the interim forecast.

The total dividend is being hoisted from 8.844p to 17.2388p with a final payment of 10.2388p. Stated earnings per £1 stock unit rose from 94.9p to 110.1p

In addition the group is sub-dividing the £1 stock units into four 25p shares and is making a one-for-five scrip issue

Mr. John Mayhew Sanders, chairman, says the cash position is strong after a net increase in working capital of some £18m. and capital spending of about £10m. In November last year the group made a three for 10 rights issue to raise £16.03m. It then said Treasury permission had been given for the latest dividend increase.

Mr. Mayhew-Sanders adds that the process engineering and construction and gas turbine operations did very well. The gas turbine and specialist fabrication side lifted taxable profits from £7.47m to £10.13m on turnover ahead from £71.17m to £90.17m. The process engineering and construction division advanced from £9.48m to £11.69m on turnover of £165.9m (£101.81m).

But the machine tool operations suffered a downturn from £2.34m to £420,000 on turnover up from £48.2m to £58.1m. There is an extraordinary after tax provision of £0.96m to cover closure costs and restructuring within this division.

The general engineering side advanced from £4.58m to £6.97m on turnover of £82.7m, against £62.6m.

Mr. Mayhew-Sanders says the current year should produce a good profit and generate encouraging cash flow allowing at least maintenance of recent investment levels in plant and facilities, training and new product development

He adds that the Board expects to recommend a progressive dividend policy maintaining prudent levels of cover by after-tax earnings.

Beyond this year the outlook is encouraging. The acquisition of Crawford and Russell, the U.S. process and engineer and constructor, should enhance the stability and growth of the process engineering and construction division's profits.

The purchase of Crawford and Russell for about £11.7m, has just been completed and a circular giving details of the deal is sent with the preliminary statement.

The American company's net assets are worth $9.7m (£4.5m). It incurred a loss before tax in the year to March this year. This "temporary depression" in profitability "is a result of the sometimes cyclical nature of the international contracting business" and Mr. Mayhew-Sanders says that in making the purchase "we were very happy to accept that little or no contribution to profit would come from it, after taking into account finance charges, in the first year or two."

He says that last year John Brown Engineering achieved record turnover and profits: shipped 29 gas turbines compared with 48 the previous year, but the equivalent megawatts of power this represented was up 10 per cent. The international gas turbine market is going to be difficult throughout this year and beyond, but appropriate action is being taken to deal with the situation.

Machine tools made a poor profit overall, but provided co-operation of all employees is forthcoming, results will be better this year and the long-term prospects for machine tools are good.

The balance sheet shows current assets ahead from £148.66m to £202.85m with bank balances and short-term investments at £36.9m, against £20.4m. Current liabilities rose from £105.18m to £130.8m and bank overdrafts from £5.2m to £7.8m.

Stockholders' funds went ahead from £60.77m to £89.5m and the return before tax on these funds fell from 38.2 per cent to 31.7 per cent.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
John Brown	10.24	—	4.54	17.24	8.84
Charter Trust ......int	0.83	Aug. 17	0.75	—	2.45
CGSB ......int	0.2	Aug. 10	0.44	—	1.59
John J. Lees	1.7	Aug. 25	1.55	2.3	2.1
Lonrho ......int.	2.64	Oct. 31	2.4	—	6.65
Robert Moss	1.6	Aug. 16	1.04	2.72	2.06
J. F. Nash ......int.	3	Sept. 14	2.5	—	5.78
Rediffusion Ltd.	4.38	Aug. 2	3.92	5.25	4.79
St. George Assets	0.33	July 23	0.33	0.48	0.48

Dividends shown pence per share net except where otherwise stated
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Lonrho at £37m in first half

THE DIRECTORS of Lonrho announce taxable profits of £37.1m for the half year ended March 31, 1979. These are compared with a published figure of £42.1m and a restated £38.9m for the first half of last year. Profit for the whole of the previous year was £93.6m.

In accordance with the group's accounting practice overseas operations' results have been translated at the rates of exchange as at September 30, 1978. Comparative results have been restated at the rates at the same date, and the directors say they take account of the strengthening of sterling.

They state that, for seasonal reasons, the second half is stronger than the first. And they expect the improvement in the prices of coal and precious metals, to be more fully reflected in second-half results.

Pre-tax profit includes associates' contribution of £10.4m (£10.4m restated), and £6m (£4.8m restated) over-provision for depreciation no longer required on revaluation of fixed assets. It also includes £0.8m (£3.1m restated) profits on disposal of assets.

The attributable balance was slightly down due largely to the depressed trading conditions in West Africa, the directors say—profits from this source fell by over £6m.

The interim dividend is increased from 2.4p to 2.64p net per 25p share.

Adversely affected by the transport strike and bad weather, Dunford and Elliott, steelmaker, forgemaker, engineering subsidiary, incurred a first-half loss of £902,000, compared with £121,000 profit. Turnover rose from £39.6m to £46.7m.

Pre-tax figure was struck after interest of £1.51m (£1.06m) but was before a tax credit of £70,000 (£30,000 charge). Minorities took £50,000 (nil).

See Lex

John Lees depressed by £55,000

THE PROFIT downturn expected by **John J. Lees**, confectionery maker, in the year ended March 31, 1979, turns out to be from £132,511 to £77,191.

However, the dividend is lifted from 2.1p to 2.3p net, with a final of 1.7p.

When warning shareholders that profits were likely to be lower, the directors hoped that the downturn would not be material.

Turnover for the year came to £1.48m (£1.52m). The profit included non-trading income £1.4m (£1.39m), but was subject to tax of £30,495 (£60,158).

BIDS AND DEALS

Wolseley-Hughes puts up £23m for John James

BY JOHN MOORE

Wolseley-Hughes, the largest distributor of central heating equipment in the U.K., has emerged as the bidder for John James, the industrial holding group with investment interests. It has made an offer worth over £23m for James and the terms have been agreed between both parties.

W-H revealed with its announcement that its group taxable profits for the year ending July 31, 1979, are expected to be approximately £11m, compared with £9.1m. Total gross dividend for the year is expected to show an increase of 31 1/3 per cent.

While W-H is acquiring the industrial interests of the group, a major shareholder in James—the Dawn James Charitable Foundation—is to acquire all the portfolio investments and the capital of Dawn Estates, a subsidiary of the James Group.

Consideration is £8.83m cash, which represents the market value of the investments and the net assets of Dawn Estates at June 26, 1979.

In addition, certain intra-group debts owing to Dawn Estates, amounting to £1.49m will be settled.

An indemnity has been given by James Group's chairman Mr. John James in favour of the James Group against any tax liabilities which might arise from the sale.

The directors of the James Group have estimated that the unaudited consolidated pre-tax profits of James for the year ended March 31, 1979 were approximately £4.2m — £3.7m coming from industrial activities and £1.3m of investment income, less central management and finance charges of £0.8m. At that date, the directors estimated that James had unaudited consolidated net assets in excess of £18m.

When the offer goes unconditional Mr. John James is to resign as chairman. But certain senior executives of James will be offered three-year service contracts within the James Group.

The W-H offer for James is a share and cash package which gives one ordinary share in W-H and 660p in cash for every 11 ordinary in James.

J. Henry Schroder Wagg, the merchant bank advising Wolseley, has agreed to purchase for 240p cash each of those shares in Wolseley which accep ing shareholders do not wish t retain. This Schroder offe together with the cash elemer of 660p, represents a value o 81.8p per ordinary James shar

W-H says that K. S. Pipelin Supplies, James principa merchanting subsidiary, is major supplier of industri heating and process equipmer in the UK and currently has 1 established branches. This wi complement that of the W- main subsidiary, Wolseley-Hugh Merchants, the largest distr butor of domestic central hea ing equipment in the UI operating from 80 branches.

It is planning to develo James other manucaturing su sidiaries.

W-H is intending to recon mend a final dividend in Noven ber of 6.7642 per ordinary shar (9.6631p with ACT taken at 3 per cent) in respect of the yea ending July 31, 1979, payable i January.

With the interim of 3.6603 (5.229 with ACT taken at 30 p cent) this will take a total o 10.4245p (14.8921p gross) an represents an increase of 33⅓ p cent over the previous year.

Trading growth but £17m again for Rediffusion Ltd.

DOUBLED INTEREST charges and higher depreciation wiped out a near £4m advance in trading profit by **Rediffusion**, the television rental and broadcasting concern, in the year to March 31, 1979.

Performance was again affected by losses overseas and taxable profit for this subsidiary of British Electric Traction, emerged marginally lower at £17.11m compared with the previous year's record £17.43m.

This represented a £1.1m downturn in the second six months, following the rise from £7.28m to £8.09m in the half-time surplus.

Trading profit for the year was £42.8m (£38.63m) and turnover reached £184.91m (£154.26m). Stated earnings per 25p share, after tax of £11.36m (£11.13m), were down 0.7p at 7p.

A net final dividend of 4.375p lifts the total to 5.25p (4.791p), costing £4.03m (£3.85m), and retained surplus came out at £1.44m (£2.55m).

Profit included a £2.94m (£2.86m) share of associates, and was struck after £24.03m (£20.7m) depreciation, £2.5m (£1.25m) interest and a £1.9m (£2.11m) provision for network contingencies.

● **comment**

At the trading level, **Rediffusion's** profits are up 10.3 per cent on a sales increase of 20 per cent. The main factor restraining profits growth is the continuing losses in Hong Kong where the group's Chinese language service still runs second in the ratings and, despite rising audience levels, it is not attracting enough advertising to become profitable. A new initiative is expected in the near future that may rectify the situation. Also, the Redifon companies (computer and flight simulation plus telecommunications) improved on 1977-78 but not by as much as management had expected. In the longer term there are signs that increasing competition in the domestic television set market is starting to have some impact on margins. Profits from this sector were up in 1978-79 but the rate of advance appears to be slowing. The shares slipped 5p to 93p yesterday giving an historic p/e of 12.7 and a yield of 8.5 per cent.

NSS managing director resigns

Mr. R. G. Schweitzer has resigned as managing director of NSS Newsagents after less than a year with the company, because of differences on major matters of policy.

Mr. Schweitzer joined the NSS board from Martin the Newsagents on July 1 last year and became chief executive on November 1.

Changes in the executive structure have been made to fill the gap and a new chief executive will be appointed from within NSS in due course. Mr. V. E. G. Tagliavini, the deputy chairman and former managing director, will act as chief executive in the meantime.

Mr. P. H. Byam-Cook, chairman of NSS, said Mr. Schweitzer left the company last week but he declined to specify the policy differences.

Robt. Moss advances to £0.51m

AS FORECAST, **Robert Moss**, the plastic injection moulding group, made further progress in the second half to lift taxable profits from £387,131 to £508,418 in the year to March 31, 1979. At midway the surplus advanced from £178,422 to £252,508.

The group is lifting the total dividend from 2.05858p net to 2.716p with a 1.6p final, and there is an 11-for-14 scrip issue.

And the board is optimistic about the current year. It is looking for a further profits rise and production is geared for a 25 per cent increase in output.

Turnover for the year rose from £2.25m to £2.73m. Tax took £84,902, against £85,972, and stated earnings per 10p share are up from 5.37p to 7.56p.

Allied Breweries confident for year

A CONFIDENT outlook is given by **Allied Breweries** for the current year.

In the annual report the directors say that following its restructuring, the beer division is in good heart, and confidently looks forward to the achievement of a faster rate of profit growth in the future.

As reported on June 13, including J. Lyons and Co. from October 1, 1978, taxable profits for the 17 months ended March 3, 1979, came through at £123.5m on sales of £2.16bn. Annualised profits were £112.3m. The final dividend is 1.8314p making a 6.2214p net total—for the previous 12 months a total of 3.9328p was paid.

The group's next biggest division, the wines, spirits, and soft drinks side—the Harvey group being the outstanding contributor to profits—maintained strong growth and the directors are confident this will continue.

Profits from the international division were distorted by the need to provide for a substantial loss on an export order to Iran—profits for 53 weeks were £3.9m against £5.3m for the 52 weeks to September 24, 1977.

Performance in the foods division, the directors state, confirms that Lyons is on a recovery path despite the adverse effects of industrial disruption, and while problem areas remain, the general trend and prospects are favourable.

As a whole, the components of the whole division are pointing in the right direction, and they look for a continuing recovery and improvement in profitability.

On a CCA basis the annualised pre-tax profit is reduced to £81.9m after additional depreciation, £38.7m; cost of sales adjustment £8.3m; less a gearing factor of £16.6m.

Edgar Allen claiming merger is wrongly 'conceived'

Edgar Allen Balfour, currently the subject of an unwanted £13m takeover bid from its fellow Sheffield special steels group Aurora Holdings, claimed yesterday that the proposed merger was "wrongly conceived."

In a strongly worded and lengthy rejection document Edgar Allen argues that a successful bid would damage production an encourage imports within the UK high-speed steel industry.

This is totally at odds with the stance of Aurora which in its offer document stressed the need to rationalise what it feels is a fragmented industry.

Edgar Allen's reply also criticises the "inadequate" value of the bid and estimates that the merger would lead to "at least 500 redundancies."

Edgar Allen yesterday also announced its preliminary results for the year to March 1979 which, as expected, showed group profits before tax well down from £2.48m to £452,000.

Last month the company revealed that it was not planning to recommend a final dividend, and at the same time indicated a small trading loss: in the event there was a group operating profit of £140,000. Extraordinary items however are shown as £316,000 (£49,000), mostly made up of redundancy payments.

In the rejection document Edgar Allen is forecasting profits before tax and extraordinary items of not less than £1.5m in the current year and total dividends of 2p per share. Mr. John Oakley, Edgar Allen's chairman, admits the forecast is "far from satisfactory" but maintains that the group is "well on the road to recovery."

Commenting on the industrial logic to the bid, he claims a takeover would result in foreign high speed producers increasing their market share by 10 per cent of UK production. Most UK customers, he argues, have two or three suppliers and in the event of a merger, he believes these customers would look overseas rather than to other UK producers.

Edgar Allen further argues that it already has a fully integrated steel operation.

In particular the document argues that high volume production is irrelevant—Aurora and Edgar Allen, it states, dominate the UK market and fragmentation is therefore not a problem. The UK market at the demand end, however, is fragmented and "generally low volume in nature."

On the value of the bid, Edgar Allen claims Aurora is attemp ing to buy "at the low point i its fortunes and before the fu benefits of its reorganisation an investment in plant and techn logy can come through."

Aurora's borrowings ratio also attacked and Edgar Alle claims the balance sheet is shov ing "signs of strain."

Last night a spokesman fo Aurora claimed steel imports ha dramatically increased because the philosophies which Edg Allen were propounding in i defence document.

He added that Aurora was in terested in many of Edg Allen's activities not becaus they were identical but becau they were complementary.

PLANTATION HLDGS

The scheme of reconstructio of the capital of Plantatio Holdings has become effective.

Application has been made fo the ordinary shares in Malaysia Plantations Berhad, one of th new holding companies, to b listed in Kuala Lumpur an dealings are expected to com mence on July 6. Application ha been made for the ordinar shares in Phicom, the othe holding company, to be admitte to the London list and dealing are expected to start on Monday

J. F. Nash prospects encouraging despite £46,000 midyear fall

ENGINEERING subsidiaries' profits more than halved and higher interest charges undermined performance at J. F. Nash Securities for the first half of 1978-79. Excluding the results of its listed offshoot Reliant Motor Group, taxable earnings dipped £46,000 to £156,000 for the six months to March 31, 1979, on turnover ahead from £5.23m to £7.12m.

The motor company, as already known, continued its recovery with a surplus of £101,000, compared with a £555,000 loss.

Most other subsidiaries produced satisfactory results except for Western Counties Hotels, first consolidated from April 1, 1978, which invariably incurs a loss during the winter months. Here the deficit was £30,000. The packaging division staged a substantial upturn with sales up 20 per cent and profit by 80 per cent.

There is every indication that group results for the second half will be satisfactory and prospects for the whole year are encouraging, says Mr. J. F. Nash the chairman.

After a £28,000 tax credit, against a £66,000 charge, stated earnings per 5p share were 2.2p higher at 5.5p. The net interim dividend is stepped up from 2.5p to 3p. Last time a 3.275p final was paid.

An analysis of turnover and trading profit, shows in £000s: packaging £1,034 (£866) and £129 (£72); engineering £2,520 (£2,560) and £63,000 (£139,000); construction £1,721 (£883) and £12 (loss £4); retailing £851 (£833) and £56 (£76); brick manufacturing £547 (nil) and £10 (loss £25); printing £121 (£88) and £12 (£7) and hotels £321 (nil) and loss £30 (nil). Less central costs and interest of £93,000 (£63,000).

S. LEBOFF

The profits available for shareholders of S. Leboff were £805,639 for 1978 compared with £715,278 after crediting minority losses of £136,673 against £7,486 profits last time.

The group's pre-tax profits were reported yesterday.

Bishopsgate Prop. again fails on loan deadline

BY MICHAEL CASSELL

Bishopsgate Property and Investments has again found itself unable to fully repay its foreign currency borrowings in an extended period agreed with the lending banks.

The company, managed by Hambros Bank, said yesterday that it was not in a position to meet the June 29 deadline for the repayment of loans equivalent to about £2.6m. As a result, the consortium of banks involved had agreed to extend the loan on a demand basis, subject to quarterly reviews.

The loan was due for repayment at the end of 1978 but, when it became clear that this would not be possible, it was agreed that the end of June 1979 would be the final repayment date.

At the end of last year, the borrowings amounted to U.S.$1.63m and DM 9.94m, equivalent in total to about £3.4m. Yesterday's statement said that the dollar content of the loan had remained unchanged, although the D-mark loan had been reduced by yesterday's date to DM 7.39m.

In addition, the company said it had been due today to make a payment of Dutch Florins, equivalent to about £500,000, arising from a guarantee given on a subsidiary's Dutch borrowings. This loan had also been due for repayment at the end of 1978 but, now it had been given another extension to meet this obligation.

In December, the company said its ability to clear its foreign currency borrowings by June, 1979, depended on the disposal of most of its remaining assets at good prices and that it faced insolvency if this could not be done.

Yesterday's statement said that, despite the further extension of the loans, the company's continued trading still depended on whether successful sales could shortly be achieved. It pointed out that the net asset value of the company was still falling and was small compared with its overall indebtedness. Its remaining assets are virtually all non-revenue producing.

In 1977, Bishopsgate recorded a taxable deficit of £151,000, while in the half-year to December 31, 1978, the pre-tax loss stood at £115,000. The company's borrowings go back to its European activities in conjunction with Berkeley Hambro, when it departed from its policy of buying equity stakes in property companies and moved into direct property ventures in France and Germany, in the main financed by multi-currency loans.

Financial problems arose due to a combination of a fall in the market value of investments at home and abroad and the rising cost of its borrowings because of exchange rate fluctuations.

Swedish Govt. buying part of BP refinery and distribution system

BY WILLIAM DULLFORCE IN STOCKHOLM

BRITISH PETROLEUM is selling 22 per cent of its Gothenburg refinery and 20 per cent of its Swedish distribution system to the state-owned Svenska Petroleum for for an undisclosed price. The sale, which has to be approved by the two boards and the Swedish Government, will be effective from the beginning of next year.

BP is selling the spare capacity in both the refinery and the distribution network, which it built up when the Swedish market was expected to expand faster than has been the case. The deal should mean a more efficient operation and lower running costs for BP in Sweden.

At present BP markets about 3.5m tonnes of petroleum products through its distribution system and 1.5m tonnes in direct deliveries to enterprises with their own storage facilities. The distribution system has a capacity of around 5m tonnes a year.

SP will acquire 20 per cent of this network, giving it access to a storage and throughput capacity of around 1m tonnes a year with an option to buy a further 15 per cent.

The BP refinery has a capacity of 5m tonnes a year, of which SP will obtain the right to just over 1m tonnes. Under the agreement BP guarantees deliveries of between 500,000 tonnes and 1m tonnes of crude oil a year to the Swedish State company over a 10-year period.

SP has been renting capacity on BP's distribution system since 1976 and from the end of last year also part of its refining capacity. These deals are now being turned into the sale of BP assets.

Finlas accepts 182p offer

Chailey Securities, which is 90 per cent owned by the family trusts of Mr. Frank Sanderson, a former chairman of Bovis, has made a recommended cash offer for Finlas Holdings worth £2.57m.

Terms are 182p for each ordinary 50p share of Finlas not already owned. Finlas has interests in printing and house building.

The offer compares with last night's closing price of 178p, u 3p. At that level Finlas i valued at £2.51m.

All the directors of Finla intend to accept the offer i respect of their beneficial an non-beneficial shareholding amounting to 9.4 per cent of th capital.

Neither Mr. Sanderson, who i the non-executive chairman o Finlas, nor Mr. R. V. C. Robins a non-executive director o Finlas and trustee of a Sander son family trust, have partic pated in the evaluation of th offer.

It is not intended to maintai the listing of Finlas on the Stock Exchange. Chailey says that th interests of the staff an employees of Finlas will b safeguarded—no redundancie are anticipated.

MOORHOUSE & BROOK

The scheme of arrangement between Moorhouse and Broo and its shareholders involving th acquisition of the capital by new holding company, Yorklyd has become effective.

Cape Industries sells mines

Cape Industries yesterday signalled what it called "a major change of direction" with the completion of its sale to Transvaal Consolidated Land and Exploration of two South African asbestos mines for a net £15.1m in cash.

The sale follows Cape's conclusion that the mines were becoming isolated both commercially and geographically from the rest of the group's UK business in building materials and engineering, and that management of them could prove a problem in the future. Profits from this mining division had reached £10m in 1976 but were not expected to match this level again.

With extra funds available, Cape sees the building and insulation field as the best prospect for expansion — it already has the country's largest cavity wall insulation business.

"There has been a very rapid growth in the supply of insulation materials in recent years as the cost of energy has increased," said Mr. G. A. Higham, the chief executive.

Although the group has not settled future dividend policy, it concedes that, with the withdrawal of dividend restraint, it has "some scope for a fairly significant increase." In 1978, the group's pre-tax profits were £12.7m, to which mining contributed £3.5m. Dividends were 9.2443p a share.

FOGARTY'S £1.25M PURCHASE

In a deal worth £1.25m E. Fogarty and Co., the home furnishings manufacturer, is buying a subsidiary of Walker and Clark, the East Kilbride continental quilt concern.

The subsidiary being sold is David Christie, and the agreement for the sale is conditional on Christie achieving a predetermined level of profit for the year ending June 30, 1979. Under the terms Fogarty has agreed to pay £1.25m cash in full upon completion. This will be reduced or increased by the amount by which the pre-tax profit is less than £275,000 or more than £325,000.

The deal will broaden Fogarty's trading base and aid expansion.

BAMBERS STORES

Bambers Stores has contracted to purchase the capital of Capricorn Fashions ("Capricorn"), a private company engaged in the retailing of womens' wear in a deal worth £670,000.

The consideration will be payable in cash, subject to an option exercisable by one of the vendor of Capricorn following com pletion, to apply up to 40 pe cent of the total consideration t subscribe for ordinary shares i Bambers at 160p each.

NO PROBE

The acquisition by Armstron Equipment of Howard Tenen Engineering (Willenhall) of substantial minority interest i the ordinary capital of Jenk and Cattell and the propose acquisition of the remainder o the ordinary of Jenks and Cattel are not being referred to th Monopolies and Mergers Com mission.

WELLCO COMPLETES

Wellco Holdings has com pleted the purchase from Ucai of its business carried on unde the Warrior brand name.

Consideration is to be satisfie by issue to Ucan of 950,00 ordinary shares of Wellco and small balance in cash.

LAGANVALE

Mereghyll Investments' offe for Laganvale Estates has bee accepted in respect of 1.69 ordinary shares (0.2 per cent o the ordinary subject to the offe and 0.1 per cent of total ordinar capital). The offer has now closed.

Results due next week

In a light week for company reports, IC Gas will be giving the market, and its investors, a look at its true worth and the level of profits it is earning on net assets.

Changes in Belgian legislation relating to the preparation of accounts have enabled IC Gas to consolidate its Belgian activities. But this is causing problems for analysts attempting to predict the outcome for 1978-79 due to be reported on Tuesday. Some have decided to stick with estimates of pre-tax profits while others have opted for a net earnings figure. The latter point out that the company said in last year's annual report that its share of earnings from unconsolidated and associated subsidiaries was £4.35m. To this is added last year's reported net earnings of £17.4m giving a total for 1977-78 of £21.75m. With the latest year expected to show a slight improvement, the net earnings, forecasts range from £22.7m to £24m. The pre-tax profit people have taken last year's figure of £26.3m; added to it the net earnings figure adjusted for tax and also added a little for the expected improvement in performance. Their range is from £34m to £36m.

Electronic Rentals, which recently bought the television rental business of Lloyd's and Scottish for £61m, is due to report its full-year profits to March 31, 1979, next Thursday. About £3m of the acquisition costs are expected to be included as exceptional expenses. Visionhire—the rental arm—is continuing to go from strength to strength as are the retail, camping and leisure divisions. The overseas division should show some overall improvement although the results will be dented by the cost of the Australian acquisition and starting-up in Switzerland. Analysts expect a pre-tax figure of roughly £17m (£13.7m).

Increased competition in the free trade market was a major factor behind the disappointing first-half results from Scottish and Newcastle Breweries. Pre-tax profits were slightly down at £21.6m and any improvement in the second half will largely depend on whether S and N has been able to recapture its market share. Price rises in the final quarter eased margin pressures although higher interest costs, already apparent at half time, might have offset any gains. Public houses and hotels, as well as the wines and spirits division, could have shown any improvement but overall analysts expect little or no rise on last year's figure of £35.4m pre tax. Figures are out on Thursday.

The buoyant DIY trade plus an increase in demand for repair and maintenance work have led analysts to expect a strong performance from SGB Group's domestic subsidiaries. While the overseas picture appears to have been unexciting they expect the group as a whole to report an interim figure between £5.2m and £5.8m pre-tax against last year's £4.4m. Scaffolding is likely to produce the bulk of profits but the biggest jump is expected from the hire shops.

Other companies of note reporting next week include full-year figures from George Bassett and LMI on Tuesday along with the half-time report from Sotheby Parke. On Wednesday preliminary figures should be released by Charter Consolidated.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bassett (Geo.) Holdings	Tuesday	1.4025	[illegible]	1.56613
Burtonwood Brewery Co (Forshaws)	Thursday	—	3.456	1.5
Caird (Dundee)	Wednesday	—	—	—
Charter Consolidated	Wednesday	3.025	5.27645	3.025
Colmore Investments	Wednesday	1.0	1.3958	1.0
Edinburgh & General Investments	Tuesday	—	—	—
Electronic Rentals Group	Thursday	2.0	3.0454	2.2333
English Card Clothing Co	Wednesday	1.1	1.85	1.2
Greene King and Sons	Thursday	2.677	4.5787†	3.4472
Henderson-Kenton	Tuesday	1.0	1.453	1.0
Heywood Williams Group	Monday	1.675	0.67	1.005
Humphries Holdings	Wednesday	—	—	—
Imperial Continental Gas	Tuesday	4.0	5.894†	6.0
London & Midland Industrials	Tuesday	1.9	2.9077	2.65
Monk (A.) & Co	Tuesday	1.0	2.5085	1.0
Regalian Properties	Friday	—	—	—
Reymore	Tuesday	1.25	3.0	1.385
Ropner Holdings	Monday	1.0652	1.0652	1.1298
Routledge & Kegan Paul	Thursday	1.25	2.8	1.4
Scottish & Newcastle Breweries	Thursday	1.35	2.05912	1.45
Shaw Carpets	Wednesday	—	2.5138	1.0
Tex Abrasives	Thursday	0.75	2.27234	0.75
Tollemache & Cobbold Breweries	Friday	—	—	—
Toothill (S. W.)	Wednesday	—	—	—
United Kingdom Property Co.	Friday	—	0.32	—
View Forth Investment Trust	Thursday	0.6	1.5	0.65
Waddington (John)	Wednesday	5.0	6.31	5.0
INTERIM DIVIDENDS				
Bett Brothers	Monday	0.767	1.1333	
Birmingham Pallet Group	Thursday	2.0	[illegible]	
Eucalyptus Pulp Mills	Friday	1.5	2.751†	
Gough Cooper	Thursday	1.98	3.58	
Lincroft Kilgour	Tuesday	1.5	2.365	
SGB Group	Tuesday	2.75	[illegible]	
Sotheby Park Bernet	Tuesday	3.0	6.0	
Wintersbottom Trust	Tuesday	2.0	3.5	

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim.

UMMARY OF THE WEEK'S COMPANY NEWS

-over bids and deals

idland Bank made its long-awaited venture into the U.S. g and finance markets with a $520m (£240m) bid for the E. Heller International financial conglomerate. The com- have agreed in principle on a merger at a price of $42.50 eller share. Heller owns American National Bank, the rgest bank in Chicago.

an attempt to revive the ailing fortunes of its troubled g offshoot International Stores, BAT Industries is nego- to acquire the Mac Market supermarket chain from er for an estimated cost of about £20m.

rris Queensway revealed the terms of its increased agreed for Hardy and Co. (Furnishers). The new offer is one ry Harris share plus 55p cash for every six Hardy ordinary e Harris share plus 495p cash for every six Hardy 'A'.

MA Holdings made an agreed £0.85m bid for loss-making ure manufacturer Harris Lebus on the basis of ten ordinary of PMA for every 29 Lebus. Three months ago, PMA sed furniture concerns Ladyship and Skelham for a total eration of £5.2m.

TR reaffirmed its intention to make a £36m bid for Bestobell. timated 200p per share offer has already been rejected by ter on grounds of incompatability.

dman Heenan International's 65p per share cash bid for an Engineering was immediately rejected by the latter's as opportunistic and inadequate. Redman owns 17.6 per cent llman and the offer is conditional on the latter not pro- g with the acquisition of the Industrial Heating Department U.S. General Electric Company.

llowing Willis Faber into joint underwriting management New York Insurance Exchange, the UK insurance concern der Howden is forming a new company with Fred S. the fourth largest quoted insurance broker in the U.S. recently ended its five-year-old equity ties with Minet gs.

icel SA is to make a cash offer for the shares in Viscose pment it does not already own on the basis of £1.80 for rdinary and £7.20 for each 4.2 per cent non-cumulative ence share. At present, Pricel owns or controls 76.42 nt of the ordinary and 17.32 per cent of the preference. dependent directors of Viscose and their advisers recom- acceptance.

part of the company's U.S. acquisition programme, Thorn cal Industries acquired California-based Systron Donner ation for $27m (£13m).

loswella Holdings is in talks which may lead to a major ition and the placing of 1.2m ordinary shares in the com-

ntral Manufacturing and Trading's discussions about a r with an unnamed party broke down, but Hanson Trust, was not involved in the talks, bought 11.4 per cent of the quity in a deal worth £2.56m.

erger discussions involving Heron Motor and an unnamed have been terminated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
ACE Machinery	130½	132	110††	2.00	F. J. C. Lilley	21/7
Allen (Edgar)	69½*§	65	63	9.63	Aurora Hlds.	11/7
John Bright¶§	40½*	39	43	4.29	Largs	—
Farm Feed	95*‡	92	94	1.08	Consortium	—
Hardy & Co. (Furnishers)	130§§	128	114	8.53	Harris Queensway	—
Hardy & Co. (Furnishers) 'A'	120§§	115	82	15.57	Harris Queensway	—
James (J.)	82	79	55	23.1	Wlsly-Hughes	—
Jenks & Cattell	81†§	84	67	1.22	Armstrong Equipment	—
Knott Mill	70½	66	27	2.43	Ktchn. Queen	—
Lebus (Harris)	41	40	35	0.88	PMA	—
Sekong Rubber	£15½	£15	£10	2.32	Majedie Invs.	—
Sheepbridge Eng.	104	96	66	1.48	GKN	—
Wellman Eng.	65*§	68	68	6.03	Rdmn. Heenan	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 29/6/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
BATs	Mar.	234,000	(210,000)	10.84†	(9.4)
Blundell-Prmglze.	Apr.	689	(603)	1.2	(1.14)
Bond St. Fabrics	Mar.	38L	(248)	—	(0.75)
Braid Group	Mar.	275	(329)	0.55	(0.48)
Caledonian Hldgs.	Mar.	1,240	(825)	—	(—)
C'ntryside Props.	Mar.	514	(213)	1.4	(1.01)
Cronite Group	Mar.	237	(153)	0.80	(0.80)
Eldridge Pope	Mar.	506	(418)	3.25	(2.83)
FNFC	Apr.	3,670	(8,069)	—	(—)
Greenf'lds Leisure	Apr.	438	(328)	0.84	(0.63)
Hardys & Hansons	Mar.	940	(793)	2.8	(2.3)
Jackson (J & H B)	Mar.	1,520	(1,200)	0.65	(0.5)
Kenning Motor	Mar.	2,710	(3,750)	1.75	(1.75)
Lookers	Mar.	804	(853)	1.4	(1.0)
Norfolk Capital	Mar.	114	(105)	0.5	(0.3)
Trident TV	Mar.	4,800	(4,800)	1.09	(0.93)
Whatlings	Mar.	280L	(110)	0.9	(0.9)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Including second interim of 6p (5p). ‡ Profit attributable. § Fully taxed. L Loss.

Rights Issues

B. Elliott: One-for-six at 185p raising £4.719m†
English and Overseas Investment: One 12 per cent cumulative unsecured loan 1990 for 10 ordinary at par raising £1.03m†
Sound Diffusion: One-for-four at 60p raising £1.002m.
UBM: One-for-five at 37p raising £5.553m†
† Approximate figures before expenses.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
ACC	Mar.	16,308	(13,700)	16.5	(18.8)	8.0	(6.61)
Avana Group	Mar.	3,520	(2,340)	10.9	(5.5)	3.5	(1.1)
Batley's	Apr.	610	(518)	13.5	(12.6)	4.2	(3.64)
BPB	Mar.	35,400	(27,250)	55.9	(44.0)	13.2	(7.62)
Brickhse. Dudley	Mar.	2,285	(1,981)	7.2	(6.3)	2.77	(2.36)
British Tar	Mar.	1,315	(1,239)	4.8	(5.1)	2.17	(1.8)
Brownlee	Mar.	962	(766)	10.1	(5.1)	4.0	(2.3)
Caledna. Cinemas	Mar.	737	(468)	111.0	(60.5)	6.0	(3.62)
Candaw Intl.	Mar.	436	(400)	6.5	(5.9)	2.57	(2.46)
Cattles Hldgs.	Mar.	1,380	(1,470)	4.1	(3.1)	2.1	(1.76)
CH Indls.	Mar.	624	(789)	4.2	(6.8)	2.2	(2.0)
Chubb & Son	Mar.	15,255	(13,523)	19.4	(17.0)	5.34	(3.87)
Cropper (Jas.)	Mar.	576	(380)	17.3§	(11.4)§	2.5	(1.5)
Derritron	Dec.	702	(644)	2.4	(1.3)	0.81	(0.73)
Durapipe Intl.	Mar.	1,010	(1,110)	17.0	(16.5)	4.71	(4.08)
Electrocmpnents.	Mar.	10,020	(7,600)	26.9	(21.7)	8.6	(2.53)
Elliott P'boro	Mar.	813	(220)L	4.0	(0.5)	1.0	(0.25)
Glltspur	Mar.	4,520	(3,210)	16.3	(7.7)	3.5	(2.9)
Halma	Mar.	1,130	(844)	6.8	(5.6)	1.36	(0.67)
Hicking Pentecost	Mar.	894	(600)	29.3	(19.3)	8.6	(7.2)
Holden (Arthur)	Mar.	1,820	(1,670)	14.3	(12.6)	4.0	(3.25)
Joseph (Leopold)	Mar.	488‡	(553)‡	15.6	(21.0)	9.5	(8.71)
LCP Hldgs.	Mar.	6,064	(4,222)	13.8	(14.3)	5.5	(4.79)
Leboff (S.)	Dec.	688	(1,020)	3.8	(4.1)	2.0	(1.76)
Marshall's Halifax	Mar.	2,670	(2,160)	36.4	(34.3)	7.5	(5.84)
Melody Mills	Mar.	826	(507)	22.9	(13.9)	6.0	(3.24)
MK Electric	Mar.	8,342	(5,948)	40.4	(31.8)	12.0	(5.89)
Nthrn Gldsmiths.	Feb.	453	(343)	7.9	(5.4)	2.38	(2.09)
Paterson (R.)	Mar.	780	(1,021)	5.6	(6.5)	3.38	(2.55)
Plessey	Mar.	46,248	(42,880)	13.0	(11.6)	6.31	(5.48)
Powell Duffryn	Mar.	12,179	(15,006)	41.8	(29.9)	11.0	(10.0)
Redland	Mar.	45,200	(39,870)	24.5	(20.3)	6.55	(4.22)
Renold	Apr.	10,200	(10,360)	14.9	(17.0)	10.25	(9.54)
Renwick	Mar.	1,570	(1,040)	20.1	(17.6)	7.7	(6.7)
RTD	Feb.	129	(327)	2.0	(6.3)	—	(—)
Somic	Mar.	254	(164)	7.5	(3.8)	2.55	(2.32)
Stead & Simpson	Mar.	3,300	(2,230)	5.4	(3.7)	2.75	(2.13)
Tranwood	Jan.	105	(62)	0.5	(0.45)	—	(—)
Walker & Staff	Mar.	214	(187)	8.2	(7.3)	0.67	(0.57)
Whitecroft	Mar.	5,030	(4,250)	20.1	(12.7)	3.0	(1.0)
Wilson Bros.	Mar.	1,020	(1,090)	6.8	(6.2)	1.8	(1.1)

Scrip Issues

BPB: One-for-one.
Caledonian Cinemas: One 5½ per cent non-cumulative second preference share for one ordinary.
Durapipe International: One-for-one.
LCP Holdings: One-for-two.
Melody Mills: One-for-one.
Stonehill: One 10½ per cent preference share for seven ordinary.

Offers for sale, placings and introductions

Fairline: Placing of 1,225,000 ordinary 10p shares at 80p.

Seven nations make common pledge to cut oil consumption and develop alternative energy

Tokyo blueprint for fighting world slump

YO — The following unique was issued yester- t the end of the seven- economic summit in :

Heads of State and nments of Canada, the al Republic of Germany, , Italy, Japan, the UK e U.S. met in Tokyo on 28-29, 1979. The European unity was represetned by resident of the European il and by the President of uropean Commission for sion of matters within the unity's competence.

he agreements reached at nn summit helped to im- the world economy. There higher growth in some ies, a reduction of pay- imbalances, and greater cy stability.

But new challenges have . Inflation, which was sub- in most countries, is now ing its momentum. r oil prices and oil short- ave reduced the room for euvre in economic policy our countries. They will inflation worse and curtail h in both the industrial eveloping countries. The non-oil developing countries are among the biggest sufferers.

We are agreed on a common strategy to attack these problems. The most urgent tasks are to reduce oil consumption and to hasten the development of other energy sources. Our countries have already taken significant actions to reduce oil consumption. We will intensify these efforts.

Adjusted

The European Community has decided to restrict oil consumption in 1979 to 500m tons (10m barrels a day) and to maintain Community oil imports between 1980 and 1985 at an annual level not higher than in 1978. The Community is monitoring this commitment. France, Germany, Italy and the UK have agreed to recommend to their Community partners that each member country's contribution to these annual levels will be specified.

Canada, Japan and the U.S. will each achieve the adjusted import levels to which they are pledged in the International Energy Agency for 1979. They will maintain their imports in 1980 at levels not higher than those of 1979. This commitment will also be monitored.

The seven countries express their will to take the following figures as goals for a ceiling on oil imports in 1985:

- For France, Germany, Italy, and the UK, the 1978 figure. Italy's commitment is accepted in the context of the overall commitment of the European Community.
- Canada, whose oil production will decline dramatically over the period between now and 1985, will reduce its annual average rate of growth of oil consumption to 1 per cent, with the consequent reduction of oil imports by 50,000 barrels per day by 1985. Canada's targets for imports will therefore be 0.6m barrels a day.
- Japan adopts as a 1985 target a level not to exceed the range between 6.3m and 6.9m barrels a day. Japan will review this target periodically and make it more precise in the light of current development and growth projections. It will do its utmost to reduce oil imports through conservation, rationalisation of use and intensive development of alternative energy sources in order to move toward lower figures.
- The U.S. goal for 1985 import levels is to not exceed the levels either of 1977 or the adjusted target for 1979, i.e. 8.5m barrels per day.

These 1985 goals will serve as a reference to monitor both energy conservation and the development of alternative energy sources.

Review

A high-level group of representatives of our countries and of the EEC Commission, within the Organisation for Economic Co-operation and Development, will review periodically the results achieved. Slight adjustments will be allowed to take account of special needs generated by growth. In fulfilling these commitments, our guiding principle will be to obtain fair supplies of oil products for all countries, taking into account the differing patterns of supply, the efforts made to limit oil imports, the economic situation of each country, the quantities of oil available and the potential of each country for energy conservation. We urge other industrialised countries to set similar objectives for themselves.

We agree to take steps to bring into the open the working of oil markets by setting up a register of international oil transactions. We will urge oil companies and oil-exporting countries to moderate spot market transactions. We will consider the feasibility of requiring that at the time of unloading crude oil cargoes, documents be presented indicating the purchase price as certified by the producer country. We will likewise seek to achieve better information on the profit situation of oil companies and on the use of the funds available to these companies.

We agree on the importance of keeping domestic oil prices at world market prices or raising them to this level as soon as possible. We will seek to minimise and finally eliminate administrative action that might put upward pressure on oil prices that result from domestic underpricing of oil and to avoid new subsidies which would have the same effect. Our countries will not buy oil for Government stockpiles when this would place undue pressure on prices. We will consult about the decisions that we make to this end.

3.—We pledge our countries to increase as far as possible coal use, production, and trade, without damage to the environment. We will endeavour to substitute coal for oil in the industrial and electrical sectors, encourage the improvement of coal transport, maintain positive attitudes toward investment for coal projects, pledge not to interrupt coal trade under long-term contracts unless required to do so by a national emergency, and maintain, by measures which do not obstruct coal imports, those levels of domestic coal production which are desirable for reasons of energy, regional and social policy.

Pollution

We need to expand alternative sources of energy, especially those which will help to prevent further pollution, particularly increases of carbon dioxide and sulphur oxides in the atmosphere. Without the expansion of nuclear power generating capacity in the coming decades, economic growth and higher employment will be hard to achieve. This must be done under conditions guaranteeing our people's safety. We will co-operate to this end. The International Atomic Energy Agency can play a key role in this regard. We reaffirm the understanding reached at the Bonn summit with respect to the reliable supply of nuclear fuel and minimising the risk of nuclear proliferation.

New technologies in the field of energy are the key to the world's longer-term freedom from fuel crisis. Large public and private resources will be required for the development and commercial application of those technologies. We will ensure that these resources are made available. An International Energy Technology Group linked to the OECD, IEA and other appropriate international organisations will be created to review the actions being taken or planned domestically by each of our countries. It will report on the need and potential for international collaboration, including financing.

We deplore the decisions taken by the recent conference of the Organisation for Petroleum Exporting Countries. We recognise that relative moderation was displayed by certain of the participants. But the unwarranted rises in oil prices nevertheless agreed are bound to have very serious economic and social consequences. They mean more world-wide inflation and less growth. That will lead to more unemployment, more balance of payments difficulty and will endanger stability in developing and developed countries alike. We remain ready to examine with oil exporting countries how to define supply and demand prospects on the world oil market.

4. We agree that we should continue with the policies for our economies agreed at Bonn, adjusted to reflect current circumstances. Energy shortages and high oil prices have caused a real transfer of incomes. We will try, by our domestic economic policies, to minimise the damage to our economies. But our options are limited. Attempts to compensate for the damage by matching income increases would simply add to inflation.

5—We agree that we must do more to improve the long-term productive efficiency and flexibility of our economies. The measures needed may include more stimulus for investment and for research and development; steps to make it easier for capital and labour to move from declining to new industries: regulatory policies which avoid unnecessary impediments to investment and productivity, reduced growth in some public sector current expenditures, and removal of impediments to the international flow of trade and capitla.

6—The agreements reached in the Tokyo round are an important achievement. We are committed to their early and faithful implementation. We renew our determination to fight protectionism. We want to strengthen the General Agreement on Tariffs and Trade (GATT) both to monitor the agreements reached in the Tokyo round of Multilateral trade negotiations and as an instrument for future policy in maintaining the open world trading system. We will welcome the full participation of as many countries as possible in these agreements and in the system as a whole.

7—We will intensify our efforts to pursue the economic policies appropriate in each of our countries to achieve durable external equilibrium. Stability in the foreign exchange market is essential for the sound development of world trade and the global economy. This has been furthered since the Bonn summit by two important developments: The November 1, 1978, programme of the U.S. in conjunction with other monetary authorities, and the successful emergence of the European Monetary System. We will continue close co-operation in exchange market policies and in support of the effective discharge by the International Monetary Fund of its responsibilities, particularly its surveillance role and its role in strengthening further the international monetary system.

Decision

8. Constructive North-South relations are essential to the health of the world economy. We, for our part, have consistently worked to bring developing countries more fully into the open world trading system and to adjust our economies to changing international circumstances. The problems we face are global. They can only be resolved through shared responsibility and partnership. But this partnership cannot depend solely on the efforts of the industrialised countries. The OPEC countries have just as important a role to play.

The latest decision substantially to increase oil prices will also severely increase the problems facing developing countries without oil resources as well as the difficulties for developed countries in helping them. The decision could even have a crippling effect on some of the developing countries. In this situation, we recognise, in particular the need for the flow of financial resources to the developing countries to increase, including private and public, bilateral and multilateral resources. A good investment climate in developing countries will help the flow of foreign investment.

We are deeply concerned about the millions of people still living in conditions of absolute poverty. We will take particular account of the poorest countries in our aid programmes. Once more we urge Comecon countries to play their part.

Emphasis

We will place more emphasis on co-operation with developing countries in overcoming hunger and malnutrition. We will urge multilateral organisations to help these countries to develop effective food sector strategies and to build up the storage capacity needed for strong national food reserves. Increased bilateral and multilateral aid for agricultural research will be particularly important. In these and other ways we will step up our efforts to help these countries develop their human resources, through technical co-operation adapted to local conditions.

We will also place special emphasis on helping developing countries to exploit their energy potential. We strongly support the World Bank's programme for hydrocarbon exploitation and urge its expansion. We will do more to help developing countries increase the use of renewable energy. We welcome the World Bank's co-ordination of these efforts.

Wall St. off on Libyan report

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—30¾% (34¼%)
Effective $2.1800 9¾% (12%)

EARLY SMALL gains were reversed on Wall Street yesterday, following a report from Beirut that Libya has decided to stop exporting oil for a few years.

After rising another 2.18 to 845.22, the Dow Jones Industrial Average reacted to 840.44 by

Closing prices and market reports were not available for this edition.

1 pm, making a net loss of 2.60 on the day and 8.66 on the week, while the NYSE All Common Index, at $58.20, was off 13 cents on the day and a net one cent on the week. Trading volume decreased 1.94m shares to 24.78m, compared with 1 pm on Thursday.

The report quoted Libyan leader Muammar Gaddafi, who was interviewed prior to the OPEC meeting concluded on Thursday.

Energy issues, which had been strong following Thursday's OPEC oil price decision, were among the hardest hit. Glamours and Blue Chips also lost ground.

The Stock Market took in its stride news of an 0.4 per cent rise in the May Index of Leading Indicators after a revised drop of 2 per cent in April. The April fall was originally given as 3.3 per cent.

Continental Oil were unchanged at $38¾, after $37¾—it said it has not been advised by the Libyan Government of any plans to halt oil exports. **Occidental Petroleum**, which lost $1¾ to $22¾ before a trading halt, said its Libyan production is unchanged.

Among Energy shares, **Amerada Hess** fell $3¼ to $42¾.

Superior Oil dropped $5 to $425—it plans to offer cash and stock for its Canadian Superior subsidiary valued at $123 a share.

Du Pont were off $1¼ to $41¾, adjusted for a three-for-one split, **Boeing** lost $¾ to $40¾ and **Texas Instruments** $1¾ to $90.

Some Railroads firmed.

Eltra jumped $4½ to $50¾—**Allied Chemical**, up $¾ to $35¼, will offer $51.50 apiece for Eltra Common.

Bankers Trust eased $½ to $42¼—it agreed to sell 55 branches in the New York City area to three banks and is seeking to sell 30 more.

THE AMERICAN SE Market Value Index dipped 26 cents to 200.51, reducing its net rise on the week also to 26 cents.

CANADA—A mixed trend prevailed in active trading yesterday morning, when the Toronto Composite Index firmed 0.3 to 1614.7.

The Utilities Index put on 1.04 to 238.30 and Papers 3.90 to 174.48, but Golds dropped 47.2 to 1,812.2. Metals and Minerals shed 2.4 to 1,386.8, Oil and Gas 0.6 to 2,860.9 and Banks 0.40 to 306.86.

GERMANY — Mixed trend, with end-quarter Institutional buying helping market.

Banks down, Chemicals eased.

Successful placement of Railway Loan cheered Domestic Bond Market and most older Public Authority issues gained up to 20 pfennigs. Bundesbank released DM 15.1m of stock.

Mark Foreign Loans firm.

AUSTRALIA — Energy stocks remained centre of attention in generally firm market.

Woodside Petroleum rose 3 cents to 84 cents and **Weeks** 5 cents to A$3.0.

Coals firmed, with **Howard Smith** rising 14 cents to A$5.30.

Banks mixed but Retailers hardened.

Golds eased.

JOHANNESBURG—Gold shares, lower across the board in quiet trading, with some London and U.S. selling.

Mining Financials quietly easier, as were platinums, while other Metals and Minerals little changed.

Industrials quietly mixed to easier, Steel Orientated counters mixed in response to steel price increases.

TOKYO—Slightly lower in mixed trading, led by Oils and Mineral Resources. Volume 270m (370m) shares.

Recently-selected Oils, Coals and non-Ferrous Metals fell on profit-taking. Electric Powers also lost ground on OPEC price rise.

Arabian Oil lost Y300 to 4,800, **Nippon Oil** Y50 to 1,490, **Mitsui Mining** Y25 to 660, and **Toa Nenryo** Y24 to 975.

Export-orientated Electricals, Cameras and Vehicles, however, higher in limited trading.

SWITZERLAND—Higher with trading unaffected by outcome of OPEC conference.

Volume largest in steady Banks and higher Insurances.

Foreign Bonds higher and Domestic Bonds slightly better. Bond Market recovery aided by portfolio adjustments.

Dollar stocks above overnight New York levels, Germans irregular, and Dutch Internationals little changed.

AMSTERDAM—Firmer trend. Shippings very firm.

State Loans narrowly mixed.

Indices

NEW YORK —DOW JONES

	June 28	June 27	June 26	June 25	June 22	June 21	1979 High	1979 Low	Since Compil't'n High	Since Compil't'n Low
◆ Industr'ls	843.04	840.52	837.66	844.25	848.10	845.64	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.25	85.70	85.55	85.55	85.45	85.49	85.90 (2/2)	82.92 (5/6)	—	—
Transport.	242.56	241.92	239.82	240.35	241.38	240.02	246.87 (12/6)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	105.55	105.48	105.29	105.11	105.51	105.51	105.75 (13/6)	93.51 (15/3)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's†	33,340	36,750	34,340	31,420	36,580	37,210	—	—	—	—

◆ Day's high 848.84 low 836.97

	June 22	June 15	June 8	Year ago (approx)
Ind. div. yield %	5.97	6.01	6.07	5.68

STANDARD AND POORS

	June 28	June 27	June 26	June 25	June 22	June 21	1979 High	1979 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	113.99	113.40	112.75	113.29	114.94	113.30	116.59 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.55 (30/6/32)
§Composite	102.80	102.27	101.66	102.09	102.64	102.06	103.54 (10/4)	96.13 (27/2)	125.85 (11/1/8)	4.40 (1/6/32)

	June 20	June 13	June 6	Year ago (approx)
Ind div. yield %	5.50	5.24	5.28	6.07
Ind. P/E Ratio	7.91	7.95	7.93	9.11
Lor Gov. Bond Yield	8.87	8.81	8.95	8.62

N.Y.S.E. ALL COMMON

June 28	June 27	June 26	June 25	1979 High	1979 Low
58.58	58.01	57.57	57.90	58.33 (28/6)	53.88 (27/2)

Rises and Falls

	June 28	June 27	June 26
Issues Traded	1,876	1,883	1,885
Rises	873	868	573
Falls	560	527	865
Unchanged	443	488	447
New Highs	—	—	—
New Lows	—	—	—

MONTREAL

	June 28	June 27	June 26	June 25	1979 High	1979 Low
Industrial	278.58	277.26	274.58	—	278.58 (28/6)	218.18 (2/1)
Combined	274.42	273.52	271.17	—	274.42 (28/6)	225.80 (2/1)
TORONTO Composite	1614.4	1611.6	1599.5	1608.0	1614.4 (28/6)	1316.8 (2/1)
JOHANNESBURG Gold	300.5	303.4	305.4	308.4	308.4 (28/6)	228.4 (17/4)
Industrial	310.6	301.1	308.5	307.2	330.0 (25/5)	278.5 (2/1)

	June 29	Previous	1979 High	1979 Low
Australia (¶)	576.52	576.55	587.48 (19/3)	545.72 (2/1)
Belgium (‖)	106.26	106.52	108.59 (3/5)	98.80 (3/1)
Denmark (**)	94.28	94.51	97.22 (10/5)	88.32 (8/1)
France (††)	85.7	85.9	89.9 (25/5)	71.5 (16/2)
Germany (‡‡)	727.80	728.50	859.5 (16/1)	719.4 (7/5)
Holland (§§)	75.8	75.5	85.9 (24/1)	71.3 (1/6)
Hong Kong (¶¶)	558.32	538.57	648.90 (5/2)	495.55 (2/1)
Italy (‖‖)	78.74	79.10	80.01 (4/6)	66.39 (2/1)
Japan (a)	448.64	448.80	462.87 (31/1)	455.22 (10/4)
Singapore (b)	578.46	576.33	404.13 (38/5)	348.34 (15.3)
Spain (d)	97.87	98.47	111.96 (9/6)	95.05 (12/1)
Sweden (e)	361.0	358.47	401.34 (6/2)	377.25 (2/5)
Switzerl'd (f)	311.9	308.7	329.1 (2/6)	294.0 (2/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Caesars World	682,500	28⅞	+1½
Gulf Oil	587,900	27⅛	−⅛
Texaco	567,500	27⅛	−⅛
Sterling Drug	486,500	18⅝	−⅛
NLT	430,700	33⅞	−1½
Howard Johnson	389,000	15	+¼
Louisiana Land	378,400	35⅞	−1
Gulf United	373,800	20⅝	−⅛
Occidental Petrm.	371,900	24	+¼
Duke Power	324,900	18⅞	+⅛

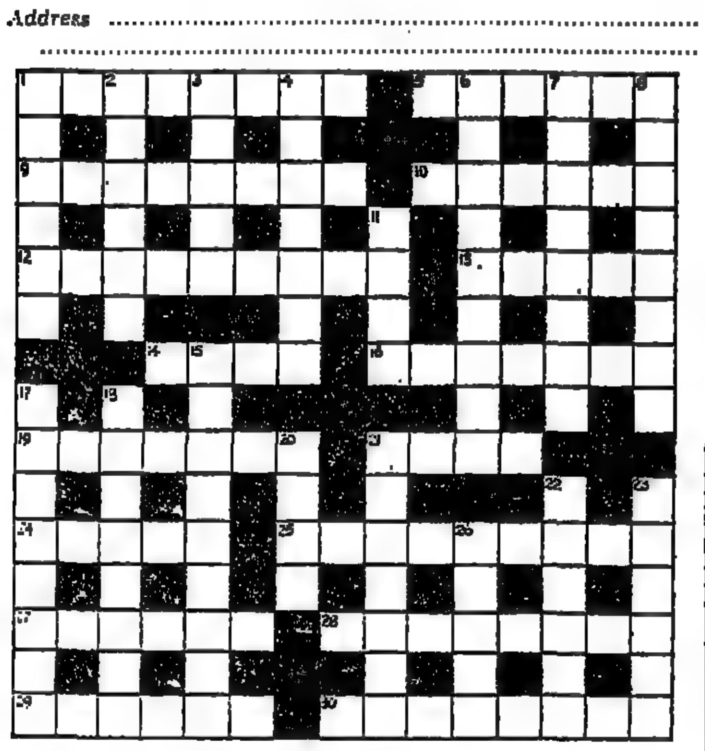
F.T. CROSSWORD PUZZLE No. 4,009

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



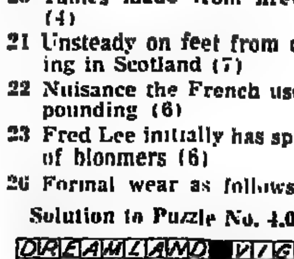
ACROSS

1 Kind of book given firm support (4, 4)
5 Display added to Scotch (6)
9 Record left to turn in bed (4, 4)
10 Confined to the channel (6)
12 Band of gold put on trunk by artist (8)
13 Chap welcome to tug (5)
14 Row made by binder (4)
16 A little literature about reserve tenancy (7)
19 Choose one American state of vision (7)
21 Leaves collector to man-about-town (4)
24 Elgar's variations on a big scale (5)
25 Die in affairs of state like a huge mammal (5, 4)
27 Haunt old boys on oriental ship (6)
28 Give service to one entering church (8)
29 Office worker responsible for key moves (6)
30 Kind of paint found cracked at breakfast time (8)

DOWN

1 School used to break up in the field (6)
2 The woman he left behind him (6)
3 Drink in sounds of disapproval (5)
4 Rogue disposing of third-grade electric fire (7)
6 Haymaker not allowed in the boxing ring (9)
7 A bachelor on board is in a position to be moderated (8)
8 Previously struck by girl having to . . . (8)
11 . . . dress like movie queen losing final round (4)
15 More pay for people doubled up with laughter (2, 7)
17 Make every effort to lose 10th wicket (2, 3, 3)
18 Saves shop with mouthful of drink (6, 2)
20 Tables made from firewood (4)
21 Unsteady on feet from dancing in Scotland (7)
22 Nuisance the French use for pounding (6)
23 Fred Lee initially has spoken of bloomers (6)
26 Formal wear as follows (5)

Solution to Puzzle No. 4,008



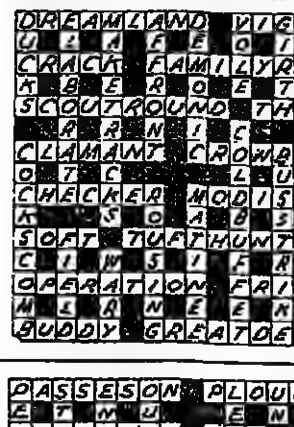
SOLUTION AND WINNERS OF PUZZLE No. 4,003

Following are winners of last Saturday's prize puzzle:

Mr. G. C. Counsell, 15 Armscroft Crescent, Gloucester.

Rev. A. W. Morrison, 2 Cluny Avenue, Edinburgh 10

Mr. H. F. Teagle, "Jambo" Highfield Estate, Upper St. Jacques, St. Peter Port, Guernsey C.I.



RACING BY DARE WIGAN

Eastern Spring may beat the favourite

A VAST crowd as usual will turn up at Newcastle this afternoon to watch the Coral Northumberland Plate, a handicap run over two miles on what is one of the toughest racecourses in the country.

Top weight of 9st 6lb is carried by Nicholas Bill, trained by Henry Candy and ridden by Philip Waldron, a combination which won the Royal Hunt Cup with Pipedreamer at Ascot last week.

Nicholas Bill has been favourite for the race ever since the ante-post market was formed, and understandably so.

After a convincing win in the Sagaro Stakes at Ascot early in May, he finished third to Pragmatic and Obraztsovy in the Yorkshire Cup, ahead of Sea Pigeon and Olympios. He meets bothof them on slightly worse terms.

It is conceivable that the one to beat Nicholas Bill may be Eastern Spring, at the bottom of the handicap with only 7 st 7 lb. Luca Cumani's gelding looked a shade backward in condition when chasing home Crested Grebe and Quite Candid at the Epsom Derby meeting. However, he was running strongly at the end of 1½ miles. He stays two miles well, will have a strong lightweight jockey, J. Lowe, and strikes me as representing good each-way value at odds of 8-1 or 9-1.

Judged on their running at York on June 15, Silly Prices has the beating of Just Amber in the Chester Stakes.

At Newmarket, Mystificateur, who represents Henry Cecil in preference to Borzoi, has the French five-year-old Loving Jim to beat in the Criterion Stakes. Stella Matutina, who was out of her depth at Royal Ascot, can recapture winning form in the CI Caravan Stakes.

Bell-Tent, runner-up to Hot Sun at the last Lingfield meeting when attempting to concede the winner almost two stone, looks the probable winner of the Golden Cockerel Handicap over the same course and distance. Michael Stoute and Greville Starkey look set to land a double at this evening's Doncaster meeting with Silley's Knight in the Chesterfield Handicap and Castle Green in the Grimthorpe Stakes.

Castle Green, an American-bred colt, was so impressive on his first appearance at Leicester this month that I should be surprised if he is beaten.

NEWCASTLE
2.15—Silly Prices
2.55—Eastern Spring*
4.00—Sound Type

NEWMARKET
1.30—Stella Matutina
3.35—Mystificateur**

LINGFIELD
3.00—Beau Reef
5.00—Bell-Tent

Chepstow
2.45—Pem Pem
4.45—Maestro Santi

DONCASTER
7.10—Silley's Knight
7.40—Barrow
8.10—Castle Green***
9.05—Run Hard

Health council chairman

THE NEW chairman of the Health Education Council was named yesterday as Dr. Brian Lloyd, Director of Oxford Polytechnic.

In a Commons written reply, Mr. Patrick Jenkin, the Social Services Secretary, said Dr. Lloyd would succeed Mr. Leslie Baines, who retires today.

SPAIN ♥

June 29	Per cent	
Asland	107	—
Banco Bilbao	259	−4
Banco Central	304	—
Banco Exterior	260	−4
B Granada (1,000)	134	—
Banco Hispano	263	−2
Bco. I. Cat. (1,000)	152	—
Banco Madrid	201	—
B Santander (250)	337	—
Bco. Urquijo (1,000)	245	−2
Banco Vizcaya	274	−2
Banco Zaragozano	220	−3
Dragados	145	−4
Espanola Zinc	82	—
Fecsa (1,000)	58	−0.25
Gal. Preciados	65	—
Hidrola	67.50	—
Iberduero	63	−0.5
Petroliber	89	—
Petroleos	157	−0.5
Sogefisa	128	—
Telefonica	75	+0.75
Union Elec.	58	−1

BRAZIL

June 29	Price Cruz	+ or −	Cruz Div.	Yld %
Acesita	1.04	−0.04	0.14	12.06
Bancodo Brazil	1.55	−0.01	0.11	6.91
Banco Itau PN	1.31	...	0.08	7.63
Belgo Mi'eira OP	1.79	−0.05	0.08	5.41
Lojas Amer O.P.	2.00	−0.10	0.20	10.1
Petrobras PP	1.48	−0.07	0.15	7.87
Pirelli OP.	1.09	−0.04	0.08	6.89
Souza Cruz OP	2.12	+0.04	0.08	3.92
Unip PE	4.50	...	0.32	5.55
ValeRioDoce PP	1.59	−0.02	0.15	9.03

Turnover: Cr.127.7m. Volume 99.5m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated. ♠ Pta 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ◊ FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

CANADA

GERMANY

AUSTRALIA

PARIS

STOCKHOLM

COPENHAGEN

AMSTERDAM

VIENNA

JOHANNESBURG

TOKYO

SWITZERLAND

BRUSSELS/LUXEMBOURG

MILAN

OSLO

Financial Rand U.S.$0.81½
(Discount of 25½%)

هكذا من الأصل

...astogi ...ntinues ...arch for ...rtners

...pert Cornwell in Rome

...GI, THE well established financial company, is ...ing its search for fresh ...lders, both domestic and ..., following the agree... Diamond Shamrock, of ..., to take an 8 to 10 per ...ke in the group.

... was made clear by Sig. ... Grandi, the Bastogi ...nt yesterday at the com... first annual meeting ...its merger with Beni ... of Rome. This has ... a financial and indus...roup employing 24,000 ... with combined sales in ...t year of joint operation ...bn ($775m).

... Grandi revealed that ... has withdrawn from ...hich might have led to ...ring the troubled Liqui... chemical concern, now ...d to be taken over by ...he state hydrocarbons ... Bastogi has also pulled ...he purchase of Eridania ...e sugar refining company ... by the oil industrialist ...llio Monti.

...her with a substantial ... reorganisation into ... divisions dealing with ...perty, construction and ...ring interests, Bastogi is ...process of strengthening ...icial base

...dy the group has sold ...ain assets to cover part ... For 1978 the accounts ...n balance, while Bastogi ...ntly in the process of ...ng L100bn of short...ebt into medium-term ...s.

...he third stage of the ...n, shareholders yester...thorised the Bastogi ... increase its capital by ...100bn from the present ... over the next 12 months. ... new shares will ...y be kept for subscrip... the new shareholders.

Ford-Werke worried by squeeze on profit margins

BY ROGER BOYES IN BONN

FORD-WERKE, the West German subsidiary of the Ford Motor Company, is expecting a slight increase in turnover and deliveries this year despite the energy crisis and a disappointing performance in 1978.

Herr Peter Weiher, the Ford-Werke chairman, said that the main reason for this was rising export demand and the upswing in the domestic economy. The principal question, however, is whether Ford-Werke will be able to improve its ever-narrowing margins. Squeezed between higher labour, raw material and production costs on the one hand, and falling demand on the other, Ford-Werke felt itself fortunate last year to achieve net profits of DM 549m ($282m), or DM 30m less than in 1977.

Herr Weiher seems confident that one of the key problems of 1978—the troubled labour relations which struck production of almost all of the models —will not recur this year. The steel strike last winter added to the difficulties that Ford-Werke was already experiencing with Taunus and Transit production (down by 9.7 per cent because of a strike at the Ford Belgium plant) and the severe delays prompted by the dispute in the British Ford works.

Total turnover dropped from 878,468 units to 847,275, and the German market share fell significantly, from 19.8 per cent to 18.9 per cent. The Taunus continued to be the main Ford Werke product despite the production losses resulting from the various strikes. Ford-Werke seems to be shifting emphasis to the Granada model — production increased last year by 25.2 per cent over 1977, and it now has a German market share of 3.8 per cent more than any other Ford-Werke model.

* * *

SCHERING AG world group sales rose by 21.2 per cent in the first five months of this year, while parent company sales were up by 8.8 per cent, management board member Karl Otto Mittelstenscheid told the annual meeting. If newly acquired U.S. companies, such as Sherex Chemical, had not been included world sales would show a 7.1 per cent increase over the first five months of last year, he added.

The company still expects turnover growth to improve on last year's level, though it is too early to comment fully on the 1979 results.

Government rescues NZ investment society

By Dai Hayward in Wellington

THE NEW ZEALAND Government has introduced emergency legislation to avoid the collapse of the Public Service Investment Society—which has 180,000 members, the majority of them Government employees.

The legislation has frozen all dealings by the society—the largest co-operative in the southern hemisphere—and placed members' contributions into trust. Thousands of state servants have their entire salaries paid into the society. Thousands more have home mortgages or loans from the society. The Investment Society was originally set up to assist Government servants with home loans and finance.

Over the past few years it has developed rapidly, with large investments in property, a chain of department stores, liquor outlets and a holiday travel operation.

The society has NZ$71m (U.S.$71.72m) on call deposit and NZ$42m on term deposit. It has a capital of only NZ$364,000, Mr. Robert Muldoon, the Prime Minister, said that this was "a remarkable capital situation at any time and a situation of some risk." The Society's problem was a classic example of borrowing short and lending long, Mr. Muldoon said.

During the past few months society officials have vigorously denied reports that it was in financial trouble but efforts to sell off large property holdings to raise liquid assets indicated it was short of cash.

Mr. Muldoon says that the Government believed the society could not continue to operate at anything like the same level in the future. The Government move would prevent "a run on the bank" but the society would have to restructure its operations. The Government has appointed a statutory manager, Mr. R. W. Stannard, to carry out the restructuring.

The emergency legislation rushed through Parliament with the help of the Labour Opposition is the bare minimum required to hold the position, close the Society's shops and freeze its activities for the next few days. More detailed legislation will be introduced next week.

Foreign banks to buy Bankers Trust outlets

BY STEWART FLEMING IN NEW YORK

THREE FOREIGN banks are expanding significantly their banking interests in New York through the purchase of 55 retail branches currently owned by Bankers Trust of New York. Some $600m of deposits are involved in the three transactions, each of which will have to be cleared by bank regulators.

The biggest of the three deals involves Barclays Bank which is expanding its New York banking interests in the Long Island area, a long-standing ambition of the company. It is buying 21 branches in Long Island and seven New York city branches with deposits of $300m in total.

National Westminster Bank's recently acquired New York subsidiary, National Bank of North America is also moving quickly to expand its New York retail banking presence through the purchase of 10 branches in Westchester County, just north of the city, and six branches in the city itself, involving deposits of around $170m.

Bank Leumi Trust Company, of New York, a subsidiary of the large Israeli bank, Bank Leumi le Israel, is acquiring 11 of the Bankers Trust branches and around $100m in deposits, all in New York. This will take its branch network to 31, and the bank's assets to $1.5bn.

In the case of Barclays, the Federal Reserve Board and the New York State Banking Superintendent will have to approve the deal, and for Bank Leumi Trust the Federal Deposit Insurance Corporation and the State Banking Department's approval are needed. National ...k of North America will not need to get State Banking Department approval but will have to get approval from the Comptroller of the Currency.

Bankers Trust, which is not disclosing the sale price, announced last November that it was examining the sale of 80 branches to the Bank of Montreal. That deal fell through. However, it still plans to dispose of a further 30 branches over and above the 55 which are now up for sale. The bank is retreating from the retail banking business to concentrate more on wholesale commercial banking.

French stores group slips into the red

PARIS — Societe Commerciale de l'Ouest Africain, a French retailing group with outlets in West Africa, has incurred a loss of FFr 47.6m ($11.5m) in the first half of the year which ends on September 30, compared with a profit of FFr. 19m a year before.

The company suffered FFr 25m of non-recurring expenditures in the first half, but this had been partly offset by a non-recurring capital gain of FFr. 20m from the sale of a subsidiary. The parent company, SCOA SA, recorded a first-half loss of FFr. 15m, against a profit of FFr 13.9m.

Consolidated sales were 3 per cent down at FFr 2.7bn, while those of SCOA SA alone dropped by 21 per cent to FFr 600m.

● Rhone-Poulenc, the chemical group, is in the final stages of negotiations with the Swedish government on setting up a plant in central Sweden.

The company declined to elaborate pending Swedish government authorisation, but industry sources said the project involved the construction of a latex

AP-DJ

Dutch state takes over U.S. stake in Vredestein

BY CHARLES BATCHELOR IN AMSTERDAM

B. F. GOODRICH, of the U.S., is to sell its 49 per cent stake in Vredestein, the loss-making Dutch tyre and rubber products manufacturer, to the Dutch Goverment for the nominal sum of Fl 1 (or 49 cents). The Government is also to provide Vredestein with Fl 50m ($25m) in investment aid.

In 1976 the Government paid Goodrich Fl 18m for a 49 per cent stake in Vredestein, took an option on the 49 per cent still held by Goodrich and put 2 per cent of the shares into a separate foundation.

The form in which the Fl 50m of additional aid will be provided has yet to be decided. It will be used to automate the tyre manufacturing division, raising capacity to 3.7m tyres a year from around 2.5m. This will make Vredestein a company able to maintain a good position in the European tyre market, Mr. Gijs van Aardenne, the Economics Minister, said in a letter to Parliament.

Total investment funds needed by the company in the period 1979-82 amount to Fl 170m.

Moevenpick increases turnover

BY JOHN WICKS IN ZURICH

GROUP TURNOVER of the Swiss catering concern, Moevenpick, rose by 8.1 per cent last year to a record SwFr 304.1m. However, due to less favourable market conditions, foreign-exchange losses and the closure of a German restaurant, group operating profits fell by 5 per cent to SwFr 23.15m and group net profit by 10.7 per cent to SwFr 6.01m.

Despite this decline in group earnings, net profits for the year ended March 31, 979, of the parent company Moevenpick Holdings, rose from SwFr 20.7m to SwFr 3.36m and an unchanged dividend of SwFr 14 per share is recommended on increased capital.

Among aims for the future are promotion of a second fast-food chain, first in Switzerland and in the medium term throughout Western Europe, together with expansion of the existing network of "Silberkugel" fast-food snack bars in Switzerland and Germany.

APM seeks takeover of Tasman-UEB Holdings

BY JOHN ROGERS IN SYDNEY

AUSTRALIAN Paper Manufacturers (APM) yesterday signalled a major restructuring in the nation's fibre container industry with the announcement of an A$11.6m (US$13.03m) bid for Tasman-UEB Holdings. The bid, which is aimed at acquiring the 73 per cent stake not already held, is A$1.20 cash for each ordinary share and 500 cents for the preference shares. It values the company at A$15.6m.

The success of the bid will depend on the attitude of the company's controlling shareholder, UEB Industries of New Zealand, which holds a controlling 54 per cent. The remaining shares are held by the Australian public. APM is Tasman-UEB's traditional supplier of raw material for its corrugated and solid fibre packaging plants in Melbourne, Sydney, Brisbane and Adelaide, and the two groups are known to have a close association.

But the real key to the takeover manoeuvre is APM's stated intention to sell off Tasman UEB's fibre container operation to other companies in the industry if its bid succeeds. Obviously APM, being a major supplier to an over-crowded industry under threat of import competition, is practising a measure of vertical rationalisation of its own. It is also moving to protect its revenue at a time when it is committed to large expansion plans.

Although the identity of the group ready to buy Tasman UEB's fibre operations is not known, it would apparently have to come from one of its competitor:—Fibre Containers, United Packages, Fieldings, Reed Consolidated (now a subsidiary of James Hardie) or Visy-Board. The industry has already seen some move to rationalisation this year with Australian Consolidated Industries selling its fibre container wing to the Amatil subsidiary.

Superior bids for Canadian associate

HOUSTON — Superior Oil Company has authorised an exchange offer worth over $500m for the 47 per cent of Canadian Superior Oil not already owned.

The company is offering to exchange 0.220 of a Superior Common share and $25 cash for each Canadian Superior common. The offer has an equivalent market value of around $123 a share. Superior expects to file a registration statement next month.

Agencies

...MODITIES/Weekly review

...razil price move boosts coffee

...UR COMMODITIES STAFF

...E FUTURES prices rose ... on the London market ...y in response to news ...razil had raised its ...n export prices, reflect... upsurge in the world ... following last month's ...

...razilian Coffee Institute ...id the new price would ... pound for better types ...e for July/September ...t. This compares with ... export minimum of ... pound.

...Brazilian coffee export ...ntribution quota) has ...n lifted. The new rate ...per 60 kilo bag through ...ember against the pre...03 for July and $105 for

The increased Brazilian prices encouraged a £26 rise in the September position on the London futures market which lifted the price to £2,118.5 a tonne, up £79 on the week.

Prices had remained steady earlier in the week despite a continued easing in the Brazilian frost risk. Speculative buying encouraged by "bullish" chart patterns tended to outweigh the influence of the milder Brazilian weather until yesterday when selling by the Central American producer group helped to contain the upward momentum.

After falling on Monday and Tuesday on the strength of sterling and speculative selling cocoa prices moved strongly ahead in the latter part of the week. After an £18 rise yesterday the September futures price on the London market closed £20 up on balance at £1,645.5 a tonne.

The price recovery reflected deepening concern about the political situation in Ghana and particularly the possibility that Nigeria might cut off oil supplies in protest at the wave of political arrests and executions instigated by the new Ghanaian regime.

Market sentiment was affected yesterday by reports that Ghana had introduced emergency measures to control petrol consumption to conserve dwindling foreign currency reserves.

The world sugar market was quiet this week with the London daily raws price rising £1 to £102 a tonne.

On Tuesday the EEC Commission said weekly export tenders would have to continue into July to eliminate surplus Common Market supplies. One or two tenders may be necessary in July, Commission sources said. This week's tender had been expected to conclude export tendering for the current season.

Currency factors were the main influence on trading on the London Metal Exchange this week and all base metal prices slipped as sterling strengthened against the U.S. dollar.

Copper values fell again yesterday by around £10 a tonne, and cash wirebars closed at £842.5, down £48 on the week. Three months metal was £47.5 lower than a week ago, ending at £856.75 a tonne.

Sterling's strength combined with an increase in supplies of metal for nearby delivery to produce a sharp drop in tin prices. Cash standard grade metal lost £315 a tonne on the day yesterday to close at £7,645 a tonne—£180 lower than a week ago.

Three months tin, however, was not affected so dramatically, falling £37.5 a tonne on the day, to close £51.5 a tonne lower than a week ago at £7,097.5.

The Tara mining group yesterday lifted its *force majeure* on lead concentrates from its Irish mine following the recommissioning of the main production hoist which had been out of action since the end of May.

Lead prices rose again yesterday, cutting back the losses incurred earlier in the week. Three months metal gained £2.75 to close at £581.5 a tonne.

Three months aluminium gained £11 a tonne on the day but still ended the week £31.5 a tonne lower at £708.5.

...KLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
...l	£710/50	—	£580	£730	£710
...rkets c.i.f.	$1,530/50	+15.0	$1030/40	$1,640	$1,210
...(99.6%)	£1,925	—	£1,925	£1,975	£1 925
...rket 99.6%)	$2,250/3,050	—	$2,225/275	$3,300	$2,712.5
...h Wire Bars	£842.5	—48	£687.5	£1,062.5	£769
...s Do. Do	£856.75	—47.5	£707.5	£1,073.75	£783.75
...thodes	£816.5	—50	£683.5	£1,054	£753
...s Do	£838.0	—50	£702.5	£1,068	£771.25
...z	$279.875	—5.75	$183.375	$286.625	$216.625
...‡	£614	—9.0	£300.5	£701.5	£456.75
...s ‡	£581.5	—5.75	£309.75	£642.5	£420.75
...	£3,225.4	—	£2,565	£3,225.4	2,320.69
...rket c.i.f. lb	$250/75c	—22.5	$1.85.96	340c	186c
...per oz.	£165	—6.0	£133	£171.0	£152
...rket per oz.	£198.6	—11.7	£128.85	£218.65	[illegible]
...r (76lbs.)	$285/300	—17.5	$125.30	$355	$160
...oz.	393.65p	—14.25	283.7p	426.3p	269.4p
...s per oz	404.95p	—15.15	290.8p	437.8p	303.7p
...	£7,645	—180.0	£6,570	£7,957.5	£6,715
...s	£7,097	—51.5	£6,485	£7,317.5	£6,662
...ind	$141.61	—	—	$145.56	$127.94
...22.04 lb)	$146/51	—	$132.36	$147.5	$120.5
...	£335	—17.0	£297.25	£409.5	£340.5
...s	£347.5	+14.0	£306.75	$423.5	350.5
...re	$845	—	$500/600	$845	$720
...utures	£91.45	—0.5	£81.7	£96.65	£85.8
...No. 3 Yellow (Amer.)	£109.5	—0.5	£103.5	£115	£107.25
...d Spring	£106	—	‡	£97.25	£97
...d Winter	£107	+1.0	‡	£91	£85.5
...ling (new crop)	‡	—	£105	£107.5	£43.5
... (g)	$3,650	—	£4,500	£3,975	£3,850
...white	$2,600	+50	$3,050	$2,850	$2,600
...black	$1 600	+100	$2.050	$1,850	$1 660
...(Philippines)	$1,140	—10	$665	$1,065t	$925
...nut 5%	‡	—	£704	‡	‡
...Crude	£405	+5	£362	£441	£386
...alayan	$662.0	—10	$635	$720	$610
...Philippines)	$785	—	$475	$745	$620
...ns (U.S.)	$328.15	—18.85	$277.9	$350.45r	$285.25
...OMMODITIES					
...hipment	£1,750.5	+29.5	£1,669	£2,041	£1,589
...pen.	£1,645.5	+20	£1,6065	£1,990.5	£1,532.5
...utures Sept.	£2,118.5	+79.0	£1,475.5	£2,084.5	£1,399.5
...ndex	76.35c	—4.0	70.58c	78.65c	72.5c
...onut	£740	—	£635	£740	£700
...AEW C grade	$858t	—	$480	$526	$476
...kilo	51.25p	—2.50	54.5p	67.750p	65p
...arl	£195	+7t	£183	£188	£178
...3 L	$700*	—	$530.40	$700	$515
...aw)	£102.0	+1.0t	£94	£109	£93
...No. 1	£201	—	£172	£201	£167
...ilty kilo	136p	+2	132p	139p	125p
...ity kilo	58p	—2	80p	88p	73p
...s 64s Warp	275p kilo	—	285p kilo	291p kilo	268p kilo

* Nominal. ‡ Unquoted. (g) Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Lower again on the London Metal Exchange as a poor close on Comex overnight saw forward metal open sharply lower at £848. Thereafter the price moved erratically, trading between £862 and £858 prior to closing the late kerb at the latter following renewed strength in sterling. Turnover 26,925 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	847-8	—14	842-3	—8.25
3 months	861.5-2.5	—14½	855.5-7	—11
Settlem't	848	—14	—	......
Cathodes				
Cash	824-5	—8	816-7	—8.5
3 months	844-.5	—12½	837.5-8.5	—8.75
Settlem't	825	—8	—	......
U.S. Smt.	—	......	*88-99.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £847, 48, three months £862, 61, 60, 59, 58, 57, 58.5, 57, 58, 59, 60, 62, 61, 62, 61.5, 62. Cathodes cash £825, three months £843, 44, 44.5. Kerbs: Wirebars three months £861, 59, 58, 57. Afternoon: Wirebars three months £855, 57.5, 57, 56, 56.5. Cathodes cash £817, three months £838, 38.5. Kerbs. Wirebars three months £850, 51, 50, 50 5, 50, 47, 46, 47, 48, 49, 50, 49, 50, 49, 48, 48. Cathodes three months £830.

TIN—Easier with cash material falling heavily owing to freer offerings of metal. Forward material opened marginally lower at £7,120 reflecting the downturn at Penang and slipped to £7,110 on hedge selling. Afternoon trading saw a further fall to £7,100 on the late kerb owing to the strength of sterling. Turnover 1,125 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7770-80	—210	7620-70	—315
3 months	7120-30	—5	7095-100	—52.5
Settlem't	7780	—210	—	......
Standard				
Cash	7770-80	—210	7620-70	—315
3 months	7120-5	+7.5	7095-100	—37.5
Settlem't	7780	—210	—	......
Straits. E.	$1985	—9	—	......
New York	—	......	—	......

Morning: Standard cash £7,850, 7,800, 7,750, 30, three months £7,120, 35, 30, 10, 20. High Grade cash £7,880. Kerbs: Standard three months £7,125. Afternoon: Standard three months £7,120, 10, 7,100. Kerbs: Standard three months £7,090.

LEAD—Gained ground following chartist support which took forward metal from £576 on the early pre-market to the day's high of £582 on the late Kerb despite forecasts of a moderate increase in warehouse stocks. Turnover 5,800 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	614-5	+8.5	613-5	+9
3 months	582-3	+4	581-2	+2.75
Sett'ment	615	+8	—	......
U.S. Spot	—	......	*54-8	......

Morning: cash £613, 15, three months £577, 80, 81, 80, 79, 80, 81, 82. Kerb: three months £580.5. Afternoon: three months £581, 80, 79, 78, 79, 80, 81. Kerb: three months £582.

ZINC—Quietly easier with expectations of a decline in stocks holding forward metal steady around the £350 level in the morning before lack of interest prompted a modest fall to £347.5 on the late Kerb. Turnover: 5,800 tonnes

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	339-.25	—1½	334.5-5.5	—5.5
3 months	350-.5	+8.75	347-8	—3.25
S'ment	339.25	—2.25	—	......
Pr'm.west	—	......	*39.5	......

Morning: cash £340, 39.5, 39.25, early-July £340.5, 40, three months £351, 50, 49.5, 50, 50.5. Kerb: three months £351, 50. Afternoon: cash £334, three months £347, 48, 47. Kerb: three months £348, 47.5, 48.

ALUMINIUM—Rallied strongly with forward metal moving ahead from £582 on the early pre-market to the day's high of £710 reflecting trade buying and reports that Reynolds Aluminium had lifted prices by 4.5 cents. However, this level attracted chartist selling and profit-taking and the price dipped to close the late Kerb at £707. Turnover: 8,250 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	705-7	+12	705-7	+14.5
3 months	708.5-9	+7.25	708-9	+11

Morning: three months £705, 10, 9, 9.5, 10, 9, 8, 8.5. Kerb: three months £708, 7. Afternoon: three months £708, 7, 5.5, 7, 8, 7.5, 7, 8. Kerb: three months £706, 7, 8, 6, 7.

NICKEL—Marginally easier in subdued trading with forward metal finally £2,750 on the late Kerb. Turnover: 444 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	—	......	—	......
3 months	2770-5	—1.5	2765-70	—25

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: three months £2,770, 75. Kerb: three months £2,780, 75. Afternoon: three months £2,770, 60. Kerb: three months £2,755, 60, 55, 60.

SILVER

Silver was fixed 0.25p an ounce higher for spot delivery in the London bullion market yesterday at 393.65p. U.S. cent equivalents of the fixing levels were: spot 853.6c, up 0.8c; three-month 871.4c, down 0.7c; six-month 891.2c, down 0.2c; and 12-month 925.1c, down 1.6c. The metal opened at 389½-... (843½-844½c) and closed at 393-394p (857-859c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	393.65p	+0.25	394.25p	+5.55
3 months	404.95p	—0.55	405.6p	+5.75
6 months	416.45p	—0.75	—	......
12 months	437.0p	—1.1	—	......

LME—Turnover 178 (174) lots of 10,000 ozs. Morning: Three months 405.5, 5.3, 405, 404.8, 4.5, 4.8. Kerbs: Three months 404.8. Afternoon: Three months 403.7, 3.6, 3.8, 404, 405, 5.5, 5.8, 5.5, 5.6, 5.8. Kerbs: Three months 404.8, 4.7, 4.5, 5.3, 5.4.

COCOA

Cocoa opened fully steady on news of Ghana petroleum problems and remained firm throughout the day, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
July	1615-1619	+21.0	1620-1594
Sept	1645-1646	+18.0	1656-1632
Dec	1703-1704	+10.0	1718-1699
March	1733-1734	+4.0	1749-1733
May	1755-1758	+4.0	1777-1756
July	1775-1780	+5.0	—
Sep	1795-1799	+6.0	1800

Sales: 3,226 (2,306).

International Cocoa Organisation (U.S. cents per pound): Daily price June 28 159.89 (158.02). Indicator prices for June 29: 15-day average 157.24 (157.22); 22-day average 157.48 (157.39).

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: July 386.0, 387.0, 387.0-385.5, 42; Oct. 394.5, 397.0, 396.0-395.0, 4; Dec. 399.0, 400.0, 399.0-398.0, 31; March 407.0, 407.5, 407.5-404.8, 65; May 409.5, 409.8, 410.0-407.8, 46; July 413.5, 415.0, 413.5-412.0, 7; Oct. 414.5, 415.5, 415.0-414.5, 9; Dec. 415.0, 419.5, nil, nil. Sales 204.

LONDON GREASY—Close (in order buyer, seller only). July 218.0, 28.0; Oct. 218.0, 33.0; Dec. 218.0, 38.0. March/May/July/Oct./Dec. 228.0, 38.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller only). July 187.0, 96.0; Oct. 189.0, 98.0; Dec. 192.0, 200.0; March 191.0, 200.0; May 192.0, 200.0; July 192.0, 200.0; Oct. 193.0, 202.0; Dec. 195.0, 203.0. Sales nil.

COFFEE

Robustas opened sharply higher to follow late firmness of the C contract market and early gains were also inspired by news of Brazil raising export prices, reported Drexel Burnham Lambert. In the afternoon prices remained buoyant for most of the session but some trade selling and local profit-taking contributed towards an irregular finish as values eased slightly but still with gains of up to £41 on the day.

Sales: 19,980 (11,243) lots of 5 tonnes.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
July	2074-75	+41.0	2090-65
September	2117-20	+56.0	2140-12
November	2123-24	+25.5	2146-12
January	2123-25	+25.5	2149-15
March	2102-05	+16.5	2120-2080
May	2100-01	+24.5	2115-2080
July	2089-90	+16.5	2115-2085

ICS indicator prices for June 28 (U.S. cents per pound): Other Mild Arabicas 211.00 (206.17); Robustas ICA 1976 206.0 (203.5); ICA 1968 206.5 (204.0); Colombian Mild Arabicas 217.0 (212.0); Unwashed Arabicas 201.0 (200.0). Comp. daily ICA 1968 207.17 (204.38).

GRAINS

HGCA—Locational ex-farm spot prices: Feed barley: Norfolk 90.00, Devon 92.80.

The UK monetary coefficient for the week beginning Monday July 2 will decrease to 1.176.

WHEAT M'nth	Yesterday's close	+ or —	BARLEY Yesterday close	+ or —
Sept.	91.60	—0.15	87.50	....
Nov.	95.25	....	91.45	—0.05
Jan.	99.55	....	95.65	+0.05
Mar.	102.90	....	99.00	+0.1
May	106.40	....	102.20	—0.05

Business done—Wheat: Sept. 91.80-91.35, Nov. 95.50-95.00, Jan. 99.60-99.45, March 103.00-102.55, May 106.50-106.00. Sales 202. Barley: Sept. 87.75-87.30, Nov. 91.60-91.15, Jan. 95.75-95.20, March 99.00-98.50, May 102.20-101.95. Sales 238.

RUBBER

EASIER OPENING on the London physical market. Little interest throughout the day, closing quiet. Lewis and Peat reported a Malaysian godown price of 284 (287) cents a kilo (buyer, July).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Aug	61.80-61.85	62.00-62.50	61.80
Sept	62.80-63.00	63.15-63.25	63.00
Oct-Dec	65.75-65.80	66.10-66.20	66.20-65.70
Jan-Mar	68.15-68.20	68.50-68.55	68.60-68.00
Apr-Jne	70.45-70.50	70.80-70.85	70.90-70.40
Jy-Sept	72.80-72.95	73.05-73.10	72.90-72.80
Oct-Dec	75.20-75.25	75.25-75.30	75.25-75.20
Jan-Mar	77.40-77.45	77.40-77.60	77.50-77.40
Apr-Jne	79.50-79.55	79.60-79.65	79.50-79.45

Sales: 578 (1,070) at 15 tonnes and 5 at 5 tonnes.

Physical closing prices (buyer) were: Spot 61.25p (61.50p); August 65.50p (66.25p); Sept. 66.0p (66.75p).

SOYABEAN MEAL

The London market opened very weak with losses of £5-£6 on a bearish U.S.D.A. acreage figure, reported T. G. Roddicks, main selling being from stops. With mixed buying markets closed on the lows.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
August	124.20-24.5	—8.7	131.00-24.10
October	126.00-26.2	—6.9	132.50-6.10
December	127.20-27.7	—6.9	134.50-27.20
February	129.00-30.0	—6.25	130.00-29.00
April	129.00-35.0	—5.75	—
June	130.00-36.0	—4.75	—
Aug	135.50-37.5	—4.75	—

Sales: 170 (199) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, June 29.

FOLLOWING THE release of higher acreage estimates, the soyabean complex closed almost limit down across the board, while corn prices recorded minor net gains and wheat minor net losses. Silver exploded on the upside with near-limit closes on fears of continued inflation. Gold and copper were firm, recovering from the depressed psychology of the day before. Cotton overcame heavy Commission House selling for small net gains. Coffee again closed sharply higher, while sugar traded in a very narrow range with fractional losses. The meat complex was mixed, ranging from limit up increases in feeder cattle to limit declines in nearby pork bellies, Heinold reported.

Cocoa—July 148.50-147.75 (146.80), Sept. 154.50-153.05 (152.40), Dec. 159.55-158.25, Mar. 161.80-161.00, May 163.00-162.50, July nil, Sept. nil.

Coffee—July 215.33 (212.00), Sept. 221.53 (217.54), Dec. 220.00, Mar. 216.91, May 216.49, July 213.00, Sept. 213.55.

*Platinum—July 423.00 (414.00), Aug. nil (nil), Oct. 421.70, Jan. 423.00, Apr. 428.90, July 430.00, Oct. 432.90, Jan. 435.50.

COPPER—July 81.20 (80.20), Aug. 81.25 (80.45), Sept. 81.30, Dec. 81.90, Jan. 82.05, Mar. 82.50, May 82.75, July 83.00, Sept. 83.25, Dec. 83.50, Jan. 83.70, Mar. 83.90, May 84.00.

Potatoes (round whites)—Nov. 64.8 (65.4). Mar. 82.8 (82.0). Apr. nil, May 107.5.

CHICAGO, June 29.

Lard—Chicago loose not available. New York prime steam not available.

Live Cattle—Aug. 66.70-66.77 (66.32-66.72), Oct. 65.35-65.10 (65.57-65.??), Dec. 67.45-67.20, Jan. 68.65 asked, Feb. 69.40-69.52, Apr. 70.30 asked-70.22, June 71.50 bid-71.30, Aug. 70.00, Oct. 69.90, Dec. 71.60 asked. Total sales: 25,384.

Live Hogs—July 39.40-39.50 (38.35-39.45), Aug. 35.60-35.50 (35.95-35.55), Oct. 33.40-44.30, Dec. 34.75-34.35, Feb. 37.55, Apr. 37.65, June 42.20-42.00, July 42.50, Aug. 41.60 bid. Total sales: 6,915.

‡‡Maize—July 298½-298¾ (294¾), Sept. 299-300 (298¾), Dec. 305-306, Mar. 313-314, May 319, July 318-319.

Pork Bellies—July 35.27 asked (37.27-35.27), Aug. 33.40-33.25 (35.02-33.33), Feb. 42.45-42.75, Mar. 42.90-42.95, May 43.85 asked, July 44.25 asked, Aug. 43.20. Total sales: 9,242.

Silver—July 873.0 (850.0), Aug. 876.3 bid (856.3), Oct. 890.1 bid, Dec. 901.8-901.8 bid, Feb. 912.9-912.9 bid, Apr. 923.8, June 934.0, Aug. 945.0, Oct. 956.0, Dec. 967.0, Feb. 978.5, Apr. 990.0, June 1001.5, Aug. 1012.0, Oct. 1022.50, Dec. 1033.70, Feb. 1044.90, Apr. 1056.15, June 1067.40.

‡Soyabeans—July 791½-741½ asked (771½), Aug. 747¼-747¼ ask..., Sept. 741½-741½ asked, Nov. 738 asked, Jan. 749 asked, Mar. 761 asked, May 764-764 asked, July 764.

‖Soyabean Meal—July 198.50-200.00 (207.50), Aug. 199.00-199.50 (208.20), Sept. 198.50-199.00, Oct. 198.50, Dec. 198.50-199.50 asked, Jan. 200.00, Mar. 202.00, May 202.00-203.00, July 202.00-202.50.

Soyabean Oil—July 27.15-27.20 (27.88), Aug. 27.15-27.25 (27.97), Sept. 26.93-27.00, Oct. 26.82-26.82 asked, Dec. 26.68 asked, Jan. 26.63 asked, Mar. 26.60 asked, May 26.60 asked, July 26.55 asked, Aug. 26.40-26.40 asked.

‡Wheat—July 428½-428 (445¾), Sept. 434-433 (451½), Dec. 447-450, Mar. 455-456, May 451, July 412-413.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

June 28	June 27	M'nth ago	Year ago
295.25	297.75	279.20	244.73

(Base: July 1, 1952=100)

MOODY'S

June 28	June 27	M'nth ago	Year ago
1087.4	1105.7	1068.1	912.5

(December 31, 1931=100)

DOW JONES

Dow Jones	June 28	June 27	Month ago	Year ago
Spot	420.51	422.53	391.72	359.14
F'tur's	432.38	435.62	399.35	346.18

(Average 1924-25-26=100)

REUTERS

June 29	June 28	M'nth ago	Year ago
1617.7	1628.2	1568.4	1471.2

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar): £102.0 (same) a tonne cif for May-June shipment. White sugar daily price was £105.0 (same).

Opening prices were around 50 points below kerb levels and prices thereafter showed little change during the morning. Later, however, heavy arbitrage selling and further losses of around 50 points occurred, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Aug	108.50-08.60	107.50-07.70	107.60-06.45
Oct	109.75-09.80	111.60-11.70	111.65-09.65
Dec	115.90-14.00	115.35-16.10	116.75-15.75
March	119.40-19.50	121.45-21.50	121.25-19.50
May	122.05-22.10	124.15-24.25	124.25-22.10
Aug	125.30-26.00	127.75-27.80	126.50
Oct	128.50-28.70	131.05-31.50	130.00

Sales: 3,426 (2,335) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and £171.0 (£172.0) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for June 28: Daily price 8.51 (8.36); 15-day average 8.20 (8.16).

WHITE SUGAR — Close (in order buyer, seller, business, sales). Sept. 108.50, 09.25, 09.50-09.00, 115; Nov. 111.85, 12.00, 12.75-12.00, 166; Feb. 119.35, 19.50, 21.25-20.00, 12; April 122.50, 22.75, ...; July 126.50, 27.25, ...; Sept. 130.00, 32.00, ...; Nov. 133.00, 36.00, ... Sales 293.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Poultry (Grade A): Fresh—Chickens 2-3 lb 30.0 to 32.0, 3-4 lb 30.0 to 32.0, 4-5 lb 30.0 to 32.0, 5-6 lb 30.0 to 32.0. Capons over 6 lb 46.0 to 50.0. Hens under 4 lb 8.0 to 10.0, 4-6 lb 10.0 to 14.0, over 6 lb 19.0 to 22.0. Ducklings 4-5 lb 47.0 to 48.0, over 5 lb 47.0 to 48.0. Oven-ready—Chickens up to 2½ lb 42.0 to 43.0, 2½-3 lb 42.0 to 43.0, 3-3½ lb 41.5 to 42.0, 3½-4 lb 41.5 to 42.0. Turkeys: 4-7 lb 44.0 to 46.0, 7-12 lb 44.0 to 46.0, 12-19 lb 44.0 to 46.0, 19-25 lb 50.0 to 51.0, over 25 lb 51.0 to 52.0.

Rabbits (skinned)—English tame 68.0 to 68.0. Chinese 34.0 to 35.0.

COVENT GARDEN (prices in sterling per package except where otherwise stated)—Imported Produce: Oranges—Israeli: Valencia Lates 4.40-5.40; Cypriot: 5.00-6.00; S. African: Navels 4.60-8.30; Brazilian: 5.60-6.40. Lemons—Italian: 100/120s 6.00. Spania: trays 30/40/45 2.40-2.80. Grapefruit—South African: 32/64 3.60-5.10; Jaffa: 36s 4.80. Apples—S. African: Granny Smith 7.40, White Winter Pearmain 4.00, Yorks 5.80-6.00, Starking 4.80-5.80, Golden Delicious 6.50-7.00; New Zealand: Sturmers 7.30, Delicious 6.50; Tasmanian: Jonathons 5.60-5.80, Golden Delicious 4.00-4.50, Sturmer Pippins 6.50-7.00, Granny Smith 7.00; Victorian: Granny Smith 7.30, W. Australian: Granny Smith 7.30; Washington: Red Delicious per box 8.00-9.00; French: Golden Delicious 72s 2.20-2.30, 84s 1.90-2.00, jumble pack per pound 0.05-0.09; Italian: Rome Beauty 0.08-0.09, Democrats per pound 0.10. Pears—South African: cartons, Packham's 8.30, Nelis 6.80-7.20, Josephines 8.00-8.30. Victorian: Josephines 8.60-8.80, Packham's 8.50-9.00, Winter Nelis 7.20-7.50.

APPOINTMENTS

Senior changes at Taylor Woodrow

Sir Frank Taylor, founder of TAYLOR WOODROW, has been elected its first life president and has formally relinquished his position as managing director. He will continue as an executive director. Sir Frank relinquished the chairmanship in 1974, when he was succeeded by Mr. Richard Puttick who also became chief executive in October last year.

Four joint deputy managing directors have been made joint managing directors each with specific areas of responsibility. They are Mr. Robert Aldred, Mr. Norman Baker (both already joint deputy chairmen), Mr. Frank Gibb and Mr. Brian Trafford. Mr. Tom Freakley and Mr. George Hazell have retired as members of the main Board, while continuing with other existing directorships and responsibilities with the group's subsidiary and associated companies. In addition, three new directors have been appointed: Mr. Peter Drew, Mr. Jim Millar and Mr. Ron Whitehouse, who became divisional directors in October last year.

Taylor Woodrow Construction has formed a subsidiary to carry on and extend the business of its aviation equipment department in the design and manufacture of specialised vehicles and equipment for the aviation and other industries. The new company is called TAYMECH AVIATION EQUIPMENT and its Board consists of Mr. F. W. Jenkins (chairman), Mr. K. Hand (general manager), Mr. G. H. Walker, Mr. M. R. Culmer, Mr. D. J. W. Wills and Miss H. E. Knox (company secretary).

*

Mr. B. Appleton, a petrochemicals division deputy chairman of IMPERIAL CHEMICAL INDUSTRIES, is to become agricultural division chairman from August 1 in succession to Mr. F. Whiteley, who is to be the company's personnel director. Mr. H. E. Miller, an ICI Europa deputy chairman, has been appointed a vice-president of ICI Americas Inc. from October 1.

*

Mr. W. M. Dravers (chairman) and Mr. J. C. T. Hansen (managing director) have retired from the Board of ADVANCE LAUNDRIES. The deputy chairman, Mr. P. N. M. Rudder, becomes chairman and Mr. A. P. M. Dear, previously deputy managing director, is now managing director. Mr. L. Cummins, Mr. R. V. Gill and Mr. D. Simpson, members of the executive staff, have joined the Board.

*

Mr. David Morris has become executive director, broker division, of ABBEY LIFE ASSURANCE COMPANY.

*

Mr. Norman R. Sanson has been elected a principal in the London office of McKINSEY AND CO.

*

Mr. Peter H. Duncombe has been appointed managing director of CONCENTRIC (PRESSED PRODUCTS), a subsidiary of the Concentric Group. He was previously with Schrader Automotive Products.

*

HARRIS QUEENSWAY GROUP has made the following appointments from July 1. Mr. G. J. Deal joins the board of Harris Carpets as operations director and Mr. H. F. L. Faney has also become a director of that company. Mr. A. J. Shortland is to be a member of the board of Queensway Discount Warehouses and to be managing director of Ross Carpets in succession to Mr. A. Behar who will be taking up another position within the group. Mr. D. Canning will be southern regional director of Harris Carpets.

*

Mr. P. A. Ogden has been appointed technical sales director of WATMOUGHS LIMITED. Mr. J. B. Smith has become financial director and Mr. W. C. Cowgill has been made security printing sales manager. Mr. M. W. Howell will be company secretary of D. H. Greaves. The parent concern is Watmoughs (Holdings). wide basis.

*

Mr. J. E. Snell is to join the main board of RANSOMES SIMS AND JEFFERIES from July 1 and will continue his executive responsibility for the company's farm machinery marketing divisions.

*

Mr. W. M. Dravers is to resign from the board of BET OMNIBUS SERVICES because of his impending retirement from the executive staff of the parent company, British Electric Traction.

*

Mr. R. Derek Finlay has been appointed managing director of HEINZ UK from July 1. He joins that concern from McKinsey Company where he has been director responsible for marketing practice throughout Europe.

*

Mr. John Carter has retired from the board of CARTER WILKES AND FANE (HOLDINGS) and Mr. Peter Fane will become chairman of both companies from tomorrow.

*

The following appointments have been made at MATTHEW HALL NORCAIN ENGINEERING from July 1: Mr. N. C. McCain, chairman; Mr. S. Aldeman, managing director; Mr. H. Thomas, a director and general manager (Manchester); Mr. G. C. Williams, a director and general manager (Southampton); and Mr. G. S. Walden, a director. Mr. Walden is UK operations director of Matthew Hall Engineering and Mr. A. J. Wright has been made manager of international projects of that company.

*

Mr. John Goodwin has been appointed chairman of REDIFFUSION ENGINEERING and joins the boards of Rediffusion's subsidiary and associated companies in South Africa. Mr. L. C. L. Jones, managing director of Rediffusion Central services, has been made chairman of that company. He also becomes a director and deputy chairman of Rediffusion Engineering, a director of Rediffusion (Wales) and of Communications Patents.

*

Mr. R. W. Clarke, Mr. F. M. Jenkins, Mr. R. M. Martin and Mr. F. T. Smith have joined the board of G. D. SEARLE AND CO.

*

Mr. James Edmunds has been appointed to the board of LLOYDS CHEVHAM LEASING from July 1. He will be based in Manchester.

*

Mr. Norman Thomas has been appointed managing director of SOUTHERN CONSTRUCTIONS (HOLDINGS). He is a former director of Henry Boot Construction.

*

Mr. Robin Phillips has become deputy managing director of BUNZL ADHESIVE MATERIALS and will continue as director and general manager of its Scarborough plant.

*

Mr. Don Whitehead has been appointed sales director of CONSTANTINE-LLOYD.

*

Mr. Michael Marsh has been appointed a director of JOHN MOWLEM AND CO. and will become finance director on the retirement of Mr. H. K. Douglas.

*

Mr. Tom Seekings has been appointed to the Board of WINCOTT GALLIFORD, a member of the Galliford Brindley Group. He is in charge of production.

*

Mr. E. J. L. Collman has been appointed a director of DUNBAR AND CO.

CINEMAS continued from page 18

SINGAPORE

June 29	$	June 29	$
Industrials		Straits Trdg	6.65
		Times Pub.	
Boust'ad Co	2.02	Berhad	2.95
Boust'ad Bd	3.16	U. Engin'ers	1.49
Bovis	5.43	U. Ov's Bk	5.28
Dunlop	4.62	Wearnes	2.39
Esso	6.55	Tractors	5.65
Fraser Nave	1.41	Chemical	5.0
Haw Par	1.90	Wilm. Jacks	1.52
Hume Ind	1.74	Rubbers	
Inchcape		Btu. Lintang	2.58
Malay Brew	–	Dunlop Est.	4.0
Malay Cem't		Kempas	6.15
Met. ExSing	2.65	Tins	
Ov's Chin Bk	6.70	Austral. Am.	
Pan El'ctric	1.35	Berjuntal	7.90
Robins'n Co	2.30	Kampar	
Rothman	4.46	Kuchai	1.65
Shell	2.75	Lower	
Sime Darby	3.52	Perak	
Cold St'r'ge	2.17	Petaling Tin	9.40
Straits Ste m	2.40	Supreme Cp	1.48
Straits Tms	5.80	Tongkah	4.2
1975 Ltd.		Har.	

† Bid. ‡ Seller.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.350	–		–	–	5	6	F.336
AKZ C	F.30	–	–	1	1.50	10	2.10	F.28.70
AKZ C	F.32.50	–		10	0.80	45	1.30	"
ARB C	F.70	–		–	–	3	2.50	F.66.30
FNC C	$25	–		5	1½	–	–	$25⅜
HO C	F.30	–	–		–	2	3.50	F.30.40
HO C	F.32.50		–			9	2.10	"
IBM C	$75		–	1	3¼	–	–	$74
IBM C	$80	24	1½	41	1⅝	–	–	"
KLM C	F.100	2	4.40	11	5.30	–	–	F.102.80
KLM C	F.120	–	–	–		5	1.90	"
KLM C	F.130	–	–	18	0.40	–	–	"
KLM P	F.100	30	0.90	20	5.30	20	5.80	"
PET C	Fr.4800	–	–	11	390	4	540	Fr.4890
PET C	Fr.5000	1	90	26	320	15	440	"
PHI C	F.22.50	5	2.10		–	–	–	F.24.30
PHI C	F.25	157	0.40	40	1.30	37	1.80	"
PHI C	F.27.50	–	–	30	0.50	10	0.90	"
PSA C	F.300	–	–	5	2.10	–		F.3284
RD C	F.120	–	–	1	29.20	–	–	F1.147.0
RD C	F.135	6	12.90	10	13.50			"
RD C	F.140	7	7.50	25	9	5	9.40	"
RD C	F.145	69	3	92	5	17	6	"
RD P	F.140		–		–	3	1.60	"
RD P	F.145	15	0.60	2	2.80	–		"
UNI C	F.120		–	–	–	2	8.50	F.125.80
UNI C	F.125	30	2	21	4.30			"
UN C	F.130	30	0.20					"
		Aug.		Nov.		Feb.		
OXY C	$20	10	4	–		2	5½	$24
		Sept.		Dec.		March		
GM C	$50	2	9	–		–	–	$59
GM C	$60	2	2	–	–	–	–	"

TOTAL VOLUME IN CONTRACTS 921

C=Call P=Put

Stock Exchange dealings

Thursday, June 28	16,100
Wednesday, June 27	14,547
Tuesday, June 26	15,421
Monday, June 25	14,935
Friday, June 22	14,420
Thursday, June 21	14,147

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 3.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ○ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (573)

[illegible]

CORPORATIONS (32)

FREE OF STAMP DUTY

[illegible]

PUBLIC BOARDS (12)

FREE OF STAMP DUTY

[illegible]

COMMONWEALTH GOVTS. (1)

REGISTERED AND INSCRIBED STOCKS

[illegible]

Nyasaland 3pc 92 (25 6)
S. Australian 3pc 20½ (21 6)
Sthrn. Rhodesia 2½pc 67○ 3pc 82 (27 6). 3½pc 1980-85 69 (25 6). 4pc 85½ 6 (27 6). 4½pc 1977-82 67 (26 6). Do. 5pc 102 (25 6)

FOREIGN STOCKS (1)

COUPONS PAYABLE IN LONDON

Chinese 5pcGoldLn 1913 (Lon Iss.) Drawn 17 (22 3). 5pc Tientsin-Pukow Rly.Ln. 22
German Intnl. 5½pcStlg.Bds. 1930 400 (25 3)
Japan 4pcStlg.Ln. 1910 (Enfaced) 243 (26 6)
Uruguay 3½pcBds 96 7 (25 6)

BANKS (134)

[illegible]

BREWERIES (104)

[illegible]

COMMERCIAL (2,137)

A—B

[illegible]

Samford's (20p) 31 (25 6)
Barro Consolidated (20p) 82½ (25 6)
Barker Dobson (10p) 18 19
Barlow Rand (R0 10) 264
Barr (A. G.) (25p) 98 (25 6)
Barr Wallace Arnold (25p) 120 (25 6). A (25p) 115 18 (26 6)
Barratt Developments (10p) 108 (27 6)
Barrow Hepburn (25p) 32 (26 6)
Bassett (Geo.) Hldgs. (25p) 122 (25 6)
Bath Portland (25p) 40 2
Batleys of Yorkshire (10p) 104 (25 6)
Beattie (James) A (25p) 179 (27 6)
Beazer (C. H.) (Hldgs.) (10p) 72 (22 6)
Beckman (A.) (10p) 81 (27 6)
Beecham (25p) 524○ 2○ 6○ 5 3 8 30. 6½pcUns.Ln. 77¼ (25 6). 8½pcUns.Ln 70½ (25 6)
Beechwood Construction (Hldgs.) (10p) 34 (27 6)
Bejam (10p) 64 5
Belgrave (Blackheath) (25p) 24 (25 6)
Bellway (25p) 77 (26 6)
Bemrose (25p) 77 (26 6)
Benford Concrete Machinery (10p) 41 40 (26 6)
Bentalls (10p) 39 (27 6)
Berec (25p) 108
Berisford (S. W.) (25p) 190○ 89 91 90
Berisfords (25p) 92 (25 6)

[illegible]

C—D

[illegible]

Drake & Scull Hldgs. (25p) 36 (27 6). 7pc D Prf. 69 (27 6)
Dreamland Electrical Appliances (10p) 50○ 50
Dubilier (5p) 28 (27 6)
Ductile Steels (25p) 114 (26 6)
Dunbee-Combex-Marx (10p) 60
Dundonian (20p) 44 (27 6)
Dunlop Hldgs. (50p) 65 6 ½ 4. 5½pc Prf. 41½. 6½pc Db. 76 ½ (27 6). 8pc Ln. 65 (25 6)
Dunlop Textiles 43

[illegible]

E—F

[illegible]

G—H

[illegible]

I—J—K

[illegible]

L—M

[illegible]

N—O—P

[illegible]

Q—R—S

[illegible]

T—U—V

[illegible]

W—Y—Z

[illegible]

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at June 28, 1979

Capital Fixed Interest Portfolio	115.65
Income Fixed Interest Portfolio	105.00

CORAL INDEX: Close 469-474

INSURANCE BASE RATES

† Property Growth	11¼%
∨ Vanbrugh Guaranteed	12¼%

† Address shown under Insurance and Property Bond Table.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JUNE 28

All England Lawn Tennis Ground £50Dbs. £4600
Ann Street Brewery 430
Baker (John) (Insulation) Pfd. 202 197
Booth (Charles) 29
Cambridge Instrument (1p) 2¼
Cambridge Instrument (10p) 3
Carlton Real Ests. (8p) 28½ 8 7½ 7
Carlton Real Ests. (10p) 28½
Channel Hotels and Props. 205 3 2 200
Channel Hotels and Props. 18½
Clyde Petroleum 205 3 2 200 199 8 7 6 5
Deltenne (Hldgs.) 13
Delilght Inds. New (f. pd.) 76 5 4 3½ ¼ ¼ 3
Edinburgh Secs. 63
Exchem Hldgs. 100
GRA Prop. Tst. 16¼ ½
IAS Cargo Airlines 125 4
The Londonderry Gaslight 39
Maddock 7
Manchester Utd. FC 210
Nationwide Leisure 9
Oldham Brewery 77
Oldham Ests. New 103
Queen St. Warehouse (Hldgs.) 5 4¾
Urogate Invs. 173 2

JUNE 27

Applied Computer Techniques (Hldgs.) 180
Aran Energy 80 70
Arsenal FC £151
Ayrton Saunders 7pcAPf. 41
Ayrton Saunders 5pcPf. 31
Baker (John) (Insulation) Pfd. 203 1 200
Booth (Charles) 25
Cambridge Instrument (1p) 1¾
Castletown Brewery 275
Channel Hotels and Props. 22 1 20
Celtic Basin Oil Explrn. 45
Clyde Petroleum 205 200 199 8 7 6 90
Dennis (James H.) 5½pcPf. 34
GRA Prop. Tst 16¼ ½ ¼
Jessel Tst. 3¼
Kellock 83
Kellock Cnv.Ln. (2nd sers.) 83
North Sea Assets £10¼
Queen St. Warehouse (Hldgs.) 5½
Sthrn. Newspapers 146 5
Twinlock 34
Urogate Invs. 167
Sinclair (Wm.) 65
Sinclair (Wm.) Dfd. 48

JUNE 26

Baker (John) (Insulation) Pfd. 207 4 3
Booth (Charles) 28 8
Cambridge Petroleum Royalties 75 2

Carlton Real Ests. (8p) 28
Channel Hotels and Props 22 20
Clyde Petroleum 199 8 6 5 4 2
Deltenne (Hldgs.) 13
Edinburgh Secs. 69 8 6 8½ 7 1 60½
Exchem Hldgs. 105
Fuller Smith and Turner A 325
GRA Prop. Tst. 19 16¼ ½
Hall and Woodhouse 4½pc1stDb. £33
IAS Cargo Airlines 126 5
The Londonderry Gaslight 30
Jessel Tst. 4 3¾
Kellock 83
Kellock 11pcPf. 83
Manchester Utd. FC 215 10
Nationwide Leisure 9
New Court Natural Resources 23
North Sea Assets £10
Norton Villiers Triumph 3
Oldham Brewery 80 79
Queen St. Warehouse (Hldgs.) 5½
Sthrn. Newspapers 145
Twinlock 33 2
Torbay Entertainments 125 4
W. Hampshire Water A (7pc Max.) 65L
... Computers 190

JUNE 25

cAll England Lawn Tennis Ground £50Dbs (£100 pd.) £4900
Baker (John) (Insulation) Pfd. 200 198 7 90
Booth (Charles) 28
Cambridge Instrument (1p) 2¼ 2
Carlton Real Ests. (10p) 29
Celtic Basin Oil Explrn. 25
Clyde Petroleum 195 4 3 2½ 2 90 88
Dennis (James H.) 5½pcPf. 30
Edinburgh Secs. 61
Eldridge Pope A 314
Grange Park Invs. 98
GRA Prop. Tst. 16½ ¼ 15
IAS Cargo Airlines 136 22
Kellock Hldgs. 83
Kellock Hldgs Cnv.Ln. (1st sers.) 83
Jessel Tst. 4½ ¼ 3¾ 3½
Jessel Tst. 7pcPf. 4
Jessel Tst. 10pcPf. 25 4
Morall (Abel) 5.25pcBPf. 90
Morall (Abel) 3.5pcPf. 90
Nationwide Leisure 9¾ ½ 9
Oldham Brewery 80
Oldham Ests. New 103½ 3
Queen St. Warehouse (Hldgs.) 6
Tea Con. 22
Thakeham Bazalla Invs. 20
Twinlock 32
Urogate Invs. 173½ 2½
Wessex Water Authority 5¼pc £53
Ormerod (John) Sons 15
Ormerod (John) Sons 7½pcPf. 28

JUNE 22

Baker (John) (Insulation) Pfd. 195 4 2
Booth (Charles) 28
Cambridge Instrument (1p) 2¼ 2
Camra (Real Ale) Invs. 95
Carlton Real Ests. (10p) 29½
Clyde Petroleum 194 2 1 90
Comml. Bk. Wales 83 80

Dalkeith (Ceylon) Hldgs. 16
Deltenne (Hldgs.) 13½ 13
Dimbula Valley (Ceylon) Tea 130
Dimbula Valley (Ceylon) Tea ½pcPf. 300
Doloswella Hldgs. 35 4 3 2 1½ 1 30
Delilght Inds. New 66
Gibson (William) Sch 4½pcPf. 11
GRA Prop. Tst. 16¼ ½
Hall and Woodhouse 4½pc1stDb. £30
Kellock Hldgs. 87 4
Kellock Hldgs. Cnv.Ln. (1st sers.) 84
Hastings Pier 140
Jessel Tst. 3½
Jessel Tst. 7pcPf 4
Kellock Hldgs. Cnv.Ln. (2nd sers.) 84
Kunick Hldgs. 24¼
Maddock 10
Manchester Utd. FC 210 200
Merrydown Wine 34
Nationwide Leisure 9½
New Court Natural Resources 23
Norton Villiers Triumph 3½
Queen St. Warehouse (Hldgs.) 6 5
Sthrn. Newspapers 147 5
Twinlock 12pcLn. £76
Wessex Water Authority 4½pc £41 40
Wessex Water Authority 5¼pc £60
Utd. Friendly Insurance B 95½
PMPA Insurance 42
NMW Computers 105 2 88

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

JUNE 28

Candecca Resources 70¼ 70
Cluff Oil 550 25
Siebens (UK) 240½ 36 28
Viking Oil 185 80

JUNE 27

Candecca Resources 69
Cluff Oil 525
Cluff Oil Cnv.Alnc.Wrnts 525
Gas and Oil Acreage 180
Siebens (UK) 230

JUNE 26 (Nil)

JUNE 25

Candecca Resources 73 2 1
CCP North Sea Associates £17¼

JUNE 22

Candecca Resources 71 70
CCP North Sea Associates £16¼
Siebens (UK) 236 2 30
Viking Oil 185 70 69½

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
[illegible]lbridge (01-478 3020)	11¾	½-year	200	4-5
[illegible]lbridge (01-478 3020)	12¼	½-year	200	6-7
[illegible]ckin (0952 505051)	12¼	annual	1,000	4-5

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
[illegible]bey National	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]d to Thrift	8.25	8.75	—	—
[illegible]liance	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]glia Hastings and Thanet	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]adford and Bingley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]idgwater	7.75	8.00	9.50	9.50 4 yrs., 9.10 2½ yrs., 8.75 2 yrs.
[illegible]istoland West	7.75	8.00	9.25	—
[illegible]istol Economic	7.75	8.00	9.25	8.25 3 months' notice
[illegible]itannia	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]rnley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]rdiff	7.75	8.50	9.50	—
[illegible]tholic	7.50	●8.20	9.00	— ● 8.40 over £5,000
[illegible]elsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
[illegible]eltenham and Gloucester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]tizens Regency	7.75	8.30	9.50	9.80 4 yrs., 9.30 3 yrs., 9.05 2 yrs.
[illegible]ty of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
[illegible]ventry Economic	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs. min., 8.50 3mths.
[illegible]ventry Provident	7.75	8.00	10.00	9.50 4 yrs., 9.25 3 yrs., 8.75 2 yrs.
[illegible]rbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
[illegible]ling and Acton	7.75	8.50	—	9.15 2 yrs., £2,000 minimum sum
[illegible]teway	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]eenwich	6.45	8.10	9.25	9.60 4 yrs., 9.10 3 yrs., 8.25 2 yrs.
[illegible]ardian	7.75	8.25	—	9.25 3 mths., 9.60 6 mths., £1,000 min.
[illegible]lifax	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]eart of England	7.75	8.00	9.25	9.50 4 yrs., 8.50 3 months' notice
[illegible]earts of Oak and Enfield	7.75	8.25	9.75	9.50 4 yrs., 9.00 2 yrs.
[illegible]endon	8.00	8.50	—	9.00 6 months, minimum £2,000
[illegible]uddersfield and Bradford	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]ambeth	7.75	8.30	9.75	9.00 3 months' notice, £250-£5,000
[illegible]eamington Spa	7.85	8.10	■10.97	8.85 2 years. ■ 3 years
[illegible]eeds Permanent	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]eicester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.25 3 mths.
[illegible]iverpool	7.75	8.00	9.45	9.60 4/5 yrs., 8.6 2 yrs., min. £1,000
[illegible]ondon Goldhawk	7.75	†8.50	†9.75	†9.25 2 yrs., †9.00 1 yr.
[illegible]elton Mowbray	7.85	8.10	9.25	8.85 2 yrs., *Minimum* £2,000
[illegible]ornington	8.25	8.75	—	—
[illegible]ational Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
[illegible]ationwide	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]ewcastle Permanent	7.75	8.00	9.30	9.50 4 yrs., 9.30 3 yrs., 9.00 2 yrs.
[illegible]ew Cross	8.50	8.75	—	—
[illegible]orthern Rock	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]orwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
[illegible]addington	7.40	8.40	10.00	9.00 3 mths., 9.25 6 mths., min. £1,000
[illegible]eckham Mutual	8.00	8.75	—	—
[illegible]ortman	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]rincipality	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 3 mths.
[illegible]roperty Owners	7.75	8.50	9.75	9.00 3 months' notice
[illegible]rovincial	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]kipton	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]ussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
[illegible]own and Country	7.75	8.00	10.00	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
[illegible]althamstow	7.75	8.10	9.20	9.60 4 yrs., 8.85 3 mths. not. min. £500
[illegible]oolwich	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The Treasury bill rate rose by 0.0733 per cent at yesterday's tender to 13.3295 per cent and the minimum accepted bid fell to £96.67½ from £96.68. Bids at that level were met as to about 80 per cent and above in full. The £300m bills on offer attracted bids of £811.765m against £991.7m previously, and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Day to day credit remained in short supply in the money market and the authorities gave assistance by buying a small amount of Treasury bills, all direct from the discount houses, and by lending a moderate amount to seven or eight houses at MLR for repayment on Monday.

In the interbank market, week-end loans opened at 14-14½ per cent and rose to 14¾-14⅞ per cent before easing during the afternoon to close in the region of 5 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

The dollar lost ground quite sharply against some currencies yesterday in active trading. The U.S. unit fell despite efforts by central banks to arrest the decline. Initially it showed a slightly firmer tendency, but started to ease from mid-morning onwards. Against the D-mark it finished at DM 1.8380 compared with DM 1.8445 on Thursday but remained at SwFr 1.6550 against the Swiss franc, only after considerable support. On Bank of England figures, the dollar's trade weighted index was 85.1.

Sterling opened at $2.1730-2.1740 and eased to $2.1630 before coming back to $2.1675. However during the afternoon, the dollar came on offer once more and sterling touched $2.1820 before closing at $2.1795-2.1805, a rise of 1.1c from Thursday, and its highest rate since mid-July 1975. On Bank of England figures, its trade weighted index rose to 69.5

Gold rose $2½ an ounce to close at $279½-280¼, showing a fall on the week of $2¼. The Krugerrand's premium over its gold content widened to 3.17 per cent from 2.84 per cent.

OTHER MARKETS

June 29	£	$		£ Note Rates
Argentina Peso...	2839-2859	1302-1312	Austria	29-30
Australia Dollar...	1.9340-1.9380	0.8870-0.8890	Belgium	66.80-67.80
Brazil Cruzeiro...	55.54-56.54	25.45-25.95	Denmark	11.44-11.54
Finland Markka...	8.46-8.48	3.9030-3.9050	France	9.20-9.30
Greek Drachma	78.781-80.877	36.15-37.00	Germany	3.92-4.02½
Hong Kong Dollar	11.0400-11.0610	5.0960-5.1000	Italy	1,765-1,805
Iran Rial	156.15-162.64	72-75	Japan	465-475
Kuwait Dinar (KD)	0.593-0.603	0.2765-0.2767	Netherlands	4.34-4.44
Luxembourg Frc.	64.30-64.40	29.51-29.53	Norway	11.00-11.10
Malaysia Dollar...	4.7175-4.7205	2.1755-2.1765	Portugal	102-106
New Zealand Dlr.	2.1435-2.1495	0.9830-0.9860	Spain	141-145
Saudi Arab. Riyal	7.26-7.36	3.3800-3.3820	Switzerland	3.50-3.60
Singapore Dollar.	4.7100-4.7205	2.1745-2.1755	United States	2.16½-2.17½
Sth. African Rand	1.82¾-1.83¾	0.8386-0.8450	Yugoslavia	40-43

Rate given for Argentina is free rate.

THE POUND SPOT AND FORWARD

June 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1635-2.1820	2.1795-2.1805	0.72-0.62c pm	3.69	1.92-1.82 pm	3.43
Canada	2.5260-2.5450	2.5435-2.5445	0.82-0.72c pm	3.63	1.96-1.85 pm	2.99
Nethlnd.	4.40-4.43	4.41½-4.42½	2⅜-1⅝c pm	6.11	6¾-5¾ pm	5.66
Belgium	64.05-64.55	64.30-64.40	22-12c pm	3.17	57-47 pm	3.23
Denmark	11.48-11.55	11.53½-11.54½	par-2ore dis	−1.04	1 pm-1 dis	par
Ireland	1.0600-1.0630	1.0605-1.0615	25-35p dis	−3.39	82-92 dis	3.28
W. Ger.	3.99-4.03	4.00¼-4.01¼	3½-2½pf pm	8.61	8-7 pm	7.49
Portugal	105.50-106.75	106.25-106.75	20-90c dis	−6.76	100-200 dis	−5.63
Spain	143.40-144.00	143.85-143.95	50c pm-par	2.08	75-25 pm	1.39
Italy	1,804-1,814	1,812-1,813	par-2 lire dis	−0.66	1 pm-1 dis	par
Norway	11.05-11.12	11.11-11.12	5-3ore pm	4.32	15-13 pm	5.04
France	9.27-9.31½	9.29½-9.30½	3-2c pm	3.23	7½-6½ pm	3.01
Sweden	9.26-9.33	9.31½-9.32½	2½-½ore pm	1.93	8-6 pm	3.00
Japan	470-477	474-475	3.95-3.65y pm	9.61	9.75-9.45 pm	8.09
Austria	29.35-29.50	29.37-29.42	22-12gro pm	6.94	53-43 pm	6.53
Switz.	3.59-3.62½	3.60½-3.61½	4½-3¾c pm	10.43	12-11 pm	12.35

Belgian rate is for convertible francs. Financial franc 67.35-67.45c pm. Six-month forward dollar 3.12-3.02c pm; 12-month 5.10-4.95c pm.

GOLD

	June 29	June 28
Gold Bullion (fine ounce)		
Close	$279½-280¼ (£128.2-128.5)	$277-277¾ (£127.76-128)
Opening	$278-278¾ (£128-128.3)	$281½-282¼ (£129.6-129.95)
Morning fixing	$276.45 (£127.467)	$281.30 (£129.482)
Afternoon fixing	$277.50 (£127.939)	$275.90 (£127.519)
Gold Coins, domestically		
Krugerrand	$287¾-289¾ (£132-133)	$281¼-286¼ (£131-132)
New Sovereigns	$72-74 (£33-34)	$71½-73½ (£33-34)
Old Sovereigns	$87¾-89¾ (£40¼-41¼)	$87½-89½ (£40¼-41¼)
Gold Coins, internationally		
Krugerrand	$287¾-289¾ (£132-133)	$284¼-286¼ (£131-132)
New Sovereigns	$72-74 (£33-34)	$71½-73½ (£33-34)
Old Sovereigns	$87¾-89¾ (£40¼-41¼)	$87½-89½ (£40¼-41¼)
$20 Eagles	$396-401	$393-398
$10 Eagles	$221-226	$220-225
$5 Eagles	$158-163	$157-162

LONDON MONEY RATES

June 29 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	5-14⅛	—	—	—	14⅜	13¼-14	—	—	—
2 days notice	—	—	14⅛-14¼	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14¼-14⅜	14¼-14½	—	14⅝	14½	13⅞-14	—	—	—
One month	14⅛-14	14¼-14⅜	14⅛-14¼	14⅝-14⅜	14⅜	14⅛	13⅞	13⅞-13⅞	14¼	14⅝
Two months	14¼-14	14⅛-14⅛	—	14⅛-13⅞	14⅛	14⅛	13⅞	13⅞-13⅞	14⅛	14½
Three months	14⅛-13⅞	14-14⅛	13⅞-14	14-13⅝	14⅛	—	13⅞	13⅝	13⅞-13⅞	14¼
Six months	13⅝-13¼	13⅞-13⅞	13¼-13⅝	12¾-12½	13⅞	—	—	—	12⅞	14⅛
Nine months	13-12¾	12⅞-13⅛	—	13-12⅝	13½	—	—	—	—	—
One year	12⅝-12⅛	12⅝-12¾	12⅝-12⅞	12⅞-12½	13¼	—	—	—	—	—
Two years	—	—	12⅞-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 12¹⁵⁄₁₆-13¹⁄₁₆ per cent; four years 12⅞-13⅞ per cent; five years 13-13³⁄₁₆ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rate fo four-months bank bills 13⁹⁄₁₆-13⅝ per cent; four-months trade bills 14⅝ per cent.

Approximate selling rate for one-month Treasury bills 13⁵⁄₃₂-13⁷⁄₃₂ per cent; two-months 13⁹⁄₃₂ per cent; three months 13⅞-13⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 14-14⅛ per cent; two-month 13⅞-13¹⁵⁄₁₆ per cent; and three-month 13⅞-13¹⁵⁄₁₆ per cent; one-month trade bills 14⅝ per cent; two-month 14½ per cent; and three-month 14⅜ per cent.

Finance House Base Rate (published by the Finance Houses Association) 13 per cent from July 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3295 per cent.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.40-10.50 per cent; three months 10.40-10.50 per cent; six months 10.40-10.50 per cent; one year 10.00-10.10 per cent.

June 29	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	14¼-14½	10⅝-10⅞	9½-10½	7-7¼	⅝-½	5¹¹⁄₁₆-6¹¹⁄₁₆	8½-9	18-20	—	1⅛-3⅞
7 days' notice	14¼-14⅜	10½-10⅝	9½-10½	7¼-7½	⅝-½	5¾-5¹⁵⁄₁₆	8½-9	13-14	10⅛-10⅞	3⅛-4⅛
Month	14¼-14⅜	10¹³⁄₁₆-11¹⁄₁₆	10⅝-11	7⅞-8	⅞-1	6⅛-6¼	10¾-11	13¼-14¼	9⅞-10	4⅞-5⅜
three months	14-14⅛	10½-10⅝	10⅝-11	8⅛-8⅜	⅞-⅞	6⅛-6⅞	11-11¼	13¼-14¼	10⅛-10¹¹⁄₁₆	5⅝-5⅞
six months	13¹¹⁄₁₆-13⅞	10½-10⅝	10⅝-11	9-9⅛	1⅛-1⅛	6⅝-6¾	11⅜-11⅝	13½-14½	10½-10⅝	6⅛-6⅜
one year	12⅝-12⅞	10⅛-10⅛	10¼-10⅝	9⅛-9¼	2⅛-2¼	6⅞-7	11⅜-11⅝	13¾-14¾	10⅛-10⅛	6⅛-6⅝

Long-term Eurodollar: two years 9¹⁵⁄₁₆-10¹⁄₁₆ per cent; three years 9⅞-10 per cent; four years 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; five years 9¹¹⁄₁₆-9¹³⁄₁₆ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.4155	+2.43	+1.56	±1.53
Danish Krone	7.08592	7.24533	+2.25	+1.38	±1.635
German D-Mark	2.51064	2.52222	+0.46	−0.41	±1.1325
French Franc	5.79831	5.84606	+0.82	−0.05	±1.35
Dutch Guilder	2.72077	2.77055	+1.83	+0.96	±1.5075
Irish Punt	0.662638	0.668529	+0.89	+0.02	±1.665
Italian Lira	1148.15	1136.26	−1.04	−1.04	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY RATES

June 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.596304	0.630039
U.S. $	9½	1.29219	1.36624
Canadian $	11¼	1.50669	1.59427
Austria Sch.	3¾	17.5221	18.5331
Belgian F.	9	38.3102	40.5124
Danish K.	8	6.86088	7.24927
D mark	4	2.38564	2.52256
Guilder	7	2.62186	2.77074
French Fr.	9½	5.51765	5.83586
Lira	10½	1075.75	1137.40
Yen	4¼	278.725	295.956
Nrwgn. K.	7	6.61020	6.97124
Spanish Pes.	8	85.3549	90.2197
Swedish Kr.	6½	5.51184	5.83385
Swiss Fr.	1	2.14736	2.26726

CURRENCY MOVEMENTS

June 29	Bank of England Index	Morgan Guaranty changes %
Sterling	69.5	−35.4
U.S. dollar	85.1	−8.4
Canadian dollar	80.8	−16.9
Austrian schilling	147.6	+18.6
Belgian franc	113.9	+13.9
Danish kroner	114.0	+2.8
Deutsche Mark	151.7	+43.8
Swiss franc	197.7	+83.0
Guilder	125.1	+18.7
French franc	99.3	−6.9
Lira	54.7	−49.3
Yen	131.9	+30.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EXCHANGE CROSS RATES

June 29	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.180	4.008	474.5	9.300	3.610	4.420	1813.	2.544	64.35
U.S. Dollar	0.459	1.	1.838	217.7	4.266	1.656	2.028	831.4	1.167	29.52
Deutschemark	0.250	0.544	1.	118.4	2.321	0.901	1.103	452.3	0.635	16.06
Japanese Yen 1,000	2.107	4.594	8.446	1000.	19.60	7.608	9.315	3820.	5.361	135.6
French Franc 10	1.075	2.344	4.309	510.2	10.	3.882	4.735	1949.	2.735	69.19
Swiss Franc	0.277	0.604	1.110	131.4	2.576	1.	1.224	502.1	0.705	17.83
Dutch Guilder	0.226	0.493	0.907	107.4	2.104	0.817	1.	410.1	0.576	14.56
Italian Lira 1,000	0.552	1.203	2.211	261.8	5.131	1.992	2.439	1000.	1.404	35.50
Canadian Dollar	0.393	0.857	1.575	186.5	3.656	1.419	1.737	712.5	1.	25.29
Belgian Franc 100	1.554	3.388	6.228	737.4	14.45	5.610	6.869	2817.	3.953	100.

U.K. CONVERTIBLE STOCKS 29/6/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	156.00	47.6	77-80	6.5	4.2	−11.0	−11 to 3	0.0	9.4	5.4	+16.4
British Land 12pc Cv. 2002	7.71	230.00	333.3	80-97	5.3	3.7	2.2	−10 to 10	0.0	91.2	40.5	+38.3
Hanson Trust 6½pc Cv. 88-93	3.38	90.00	57.1	76-80	7.4	7.9	2.3	− 7 to 2	5.7	3.2	− 2.9	− 5.2
Slough Estates 10pc Cv. 87-90	5.50	195.00	187.5	78-85	5.1		− 4.6	− 5 to 10	34.2	39.8	2.7	+ 7.3
Thorn Electric 5pc Cv. 90-94	4.19	116.00	29.1	75-80	4.3	3.2	− 0.8	− 7 to 2	8.8	4.5	− 3.6	− 2.8
Tozer, Kemsley 8pc Cv. 1981	0.78	88.00	153.9	74-79	9.2	14.9	5.9	− 1 to 12	0.0	0.0	0.0	− 5.9
Ultramar 7pc net R.Cv.Pfd.	14.97	1.56	0.5	76-82	6.6	3.3	− 9.4	−10 to 7	21.9	25.9	2.3	+11.6
Wilkinson Match 10pc Cv. 83-98	11.10	80.00	40.0	76-83	12.5	12.8	20.5	20 to 30	28.6	31.2	3.9	−16.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Overseas funds stimulate Gilts and exhaust short tap
Equities follow in wake but settle below best

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun. 4	Jun. 14	Jun. 15	Jun. 26
Jun. 18	Jun. 28	Jun. 29	July 10
July 2	July 12	July 13	July 24
July 16	July 26	July 27	Aug. 7

* "New time" dealings may take place from 9.30 am two business days

Sizeable overseas funds were invested in Government stocks yesterday and the short-medium tap, issued in £50-paid form eight days ago and activated for the first time on Thursday, was immediately exhausted. Further supplies of the longer-dated tap, issued at the same time in £15-paid form and also operational for the first time the day previously, were also sold and the ensuing strength of Gilt-edged securities lent support to most equity sections.

In fully-paid form, the two issues totalled £1.5bn and exhaustion of Treasury 12 per cent 1984 as a tap stock was announced with some surprise at a price of £50¼, although it was widely known that domestic investors had continued to switch into the stock at the expense of shorter-dated issues. The development aroused considerable interest in the market as a whole and brought gains extending to ¾ among high-coupon longs, but the exhausted tap, after reaching 50⅜, eased to close unchanged at 50¼.

Despite substantial switching operations and views that yields in this area of the market were unfavourable when related to current interest rate levels, short-dated funds improved initially but reacted later on the possibility of a new tap stock. No such announcement was made, however, and after the official close of trade prices tended to slightly higher levels. Variable coupon stocks were exceptions and settled lower with falls ranging to 3/16.

Leading shares looked set for a smart advance with the FT 30-share index 6.1 up at 11 am even though the trading Account was drawing to its close. The rallying movement lost impetus, however, as worries returned about the impact a rising pound is having on overseas earnings: the chairman of **John Brown** yesterday emphasised the difficulties already being experienced in fiercely competitive exports markets.

The major exporters were thus singled out by sellers and none more so than **ICI**, although selling here was largely connected with end-Account professional business. New-time inquiries were virtually non-existent and the later downdrift was reflected in the 30-share index which closed at 473.4, up 4.1 on the day but a net 2.6 down on the week.

Buyers were noticeably reluctant in the investment currency market and small selling brought about by the strength of sterling extended a fall in rates. The close was the day's lowest with the premium a net 3½ points down at 30¼ per cent. Yesterday's SE factor was 0.9084 (0.8920).

Hopes of a reduction in interest rates prompted a good business in Traded options for **Land Securities**, which contributed 90 to a total of 680 deals. This week's daily average was 581 compared with the previous week's 520. Other reasonably active issues included **GEC**, 87, **Grand Metropolitan**, 76 and **Shell**, 71.

Following Thursday's debut, a further brisk business was transacted in **Standard Telephones and Cables** which touched 186p before settling at 181p for a net gain of 2; the issue price was 160p.

Discounts firm

Discount houses mirrored the strength of Gilt-edged with gains to 10. In contrast, the major clearers were unsettled by **Midland's** £20m bid for Walter E. Heller International: speculation that the former may not retain its stake in **Standard Chartered** left the latter 12 cheaper at 456p.

Redland featured Building descriptions, rising 7 to 183p after comment on the annual results. Other issues attracted a better business than of late and usually hardened. Still reflecting the results, **BPB** added 4 to 306p for a gain on the week of 22, while renewed demand lifted **Burnett and Hallamshire** 8 to 363p.

ICI touched 353p in early dealings before relapsing to 345p for a net fall of 2 following a stream end-account offerings.

MFI good

Burton issues continued firm, still helped by persisting rumours of a pending enfranchisement of the A, 2 up at 262p, while the Warrants rose 4 to 113p, after 117p. Other leading Stores reacted from early firm positions to close only a penny or two better where altered. **Gussies A** put on 4 at 356p, while **Combined English** added 2 at 55p. D-I-Y counters came in for limited support: **MFI** jumped 8 to a new 1979 peak of 162p, while **Status Discount**, 70p, and **A. G. Stanley**, 86p, rose 4 and 6 respectively. **Selincourt** hardened 1½ to 26p following the chairman's promise of a substantial dividend increase at the year-end, while recently-depressed **Bambers** attracted renewed support and added 7 to 129p.

Still reflecting disappointment with the preliminary figures, **Electrocomponents** weakened afresh to close 20 lower at 425p for a two-day fall of 30. In contrast, **Sound Diffusion** continued to benefit from the proposed rights issue and dividend forecast, rising 11 more to 134p. Elsewhere in the Electrical sector, **Decca 'A'** encountered fresh scattered support and put on 6 further to 293p, but disappointing annual results left **Rediffusion** 5 cheaper at 93p, after 92p. Among the leaders, **GEC** closed below the best with a rise of 4 at 360p, after 364p.

Interest in the Engineering sector centred chiefly on **John Brown** which advanced to 530p following the annual results and capital proposals before falling back on profit taking to close 12p up on the day at 505p. Other movements in the leaders rarely exceeded a few pence either way. Among secondary issues, buyers showed interest in **Babcock and Wilcox** which firmed 6 to 161p, while scattered support left **Jones and Shipman** 5 dearer at 175p. On the other hand, **Renold** at 104p gave up 6 of the previous day's rise of 12 which followed the preliminary results.

With the exception of **Associated Dairies**, which finished a couple of pence cheaper at 250p, leading Foods improved on a predominance of buyers. **Cadbury Schweppes** firmed 1½ to 59p and **Rowntree Mackintosh** added 2 to 192p. **Fitch Lovell** touched 65p on a badly handled buying order before settling at 62p for a net gain of 2. In sharp contrast, **J. J. Lees** dropped 5 to 38p on the lower annual profits.

Grand Metropolitan stood out in Hotels and Caterers, rising 6 to 139p, on renewed investment demand. Elsewhere, fresh speculative support lifted **Savoy A** 4 to 101p, but **Rowton** shed that much to 186p on sporadic end-account selling.

John James advance

News of the share exchange offer from **Wolseley-Hughes** prompted a sharp upward movement in **John James** which closed 24 higher at 79p; **Wolseley - Hughes**, however, weakened to finish at 243p, down 22. **Cape Industries** advanced 8 to 194p following the sale of its mining division to Transvaal Consolidated Land for £15.6m, while comment on the annual results left **Associated Communications** 5 to the good at 134p. **Diploma** revived with a rise of 10 to 302p along with **Vinten** which put on 8 to 163p, but **Cawoods**, a recent favourite on the company's North Sea oil interests, encountered profit-taking and gave up 6 to 210p. Dealings resumed in **Harris Lebus** at 40p compared with the suspension price of 35p following the agreed bid from **PMA Holdings**, up 5 at 120p. Rises of around 5 were also recorded in **BTR**, 316p, and **G. W. Sparrow**, 343p, while satisfactory results and the proposed scrip issue left **Robert Moss** 3 dearer at 41p. **Ropner** firmed 2½ to 64p in response to favourable Press mention. Among leading miscellaneous Industrials, **Beecham** improved afresh to 548p before settling at 543p, up 10 on balance. **Glaxo** rose a similar amount to 450p.

Buying for the new account prompted a gain of 4 to 92½p in **Associated Leisure**.

Heron Motor, having begun the week by returning from suspension at 46p ended the week at 58p, up 5 on the day, as recent speculative buying continued. Elsewhere in Motor Distributors, company announcements provided some interest, **CGSB** holding at 22p after the half-timer and **Glanfield Lawrence** putting on 2 to 57p following the return to profits at the interim stage coupled with the encouraging statement on current trading. Components retreated from early firm positions, but still retained gains of a couple of pence.

Hopes of an early reduction in interest rates encouraged a useful demand for leading Properties. **Land Securities** featured, rising 10 to 293p, while **MEPC** put on 4 to 171p and **Great Portland Estates** added 6 to 300p. **British Land and Capital and Counties** firmed 3 apiece to 70p and 89p respectively, while **Haslemere** advanced 8 to 294p and **Stock Conversion** improved 4 to 356p. Gains of around 5 were marked against **Slough Estates**, 114p, **Bernard Sunley**, 378p, and **Berkeley Hambro**, 186p, while **Hammerson A** firmed 10 to 805p.

Oils turn dull

Oil shares succumbed to a bout of profit-taking after the recent good advance based on the prospect of increased earnings. Some support, however, was forthcoming at the lower levels and final quotations were usually above the day's worst, although **British Petroleum** closed at the day's lowest of 1,245p down 21, but still retained a rise of 35 on the week. **Shell** finished a few pence lower at 382p, after 380p. Among secondary issues, **Lasmo Ops** dipped 25 to 780p and **Oil Exploration** ended 4 cheaper at 288p, after 282p. Against the trend, **Century** new were firm at 21p premium, up 4, while Press mention prompted a rise of 8 to 210p in **Clyde Petroleum**.

Lonrho reported reduced interim profits and, despite the confidence expressed over the second half, the shares gave up 3 at 75p.

Awaiting further news of the mooted merger between its International Stores subsidiary and Unilever's Macmarkets, **Bats** hardened to 280p in early business, but a lack of follow-through demand left the shares at the overnight level of 278p.

South African industrials drifted lower on investment dollar influences, **Abercom** giving up 5 to 97p.

Golds down again

South African Golds lost ground for the seventh successive trading day following renewed American, Continental and Cape selling which reflected the uncertain trend in the bullion price. The latter rose $2.50 to $279.875 an ounce yesterday but was $2.75 down on the week.

The Gold Mines index dropped a further 6.6 to 167.8—a week's fall of 17.6 and its lowest level since May 14—while the ex-premium index gave up 3.2 to 152.4.

Prices were marked down at the outset yesterday, owing to overnight U.S. selling, and continued to lose ground until the late afternoon and a rally in the bullion price brought out modest London interest.

Among the heavyweights losses ranged to a half-point in *Randfontein*, £25¼, **Hartebeest**, £16, **West Driefontein**, £24¼, and **Western Holdings**, £16⅜. Medium and low-priced issues showed **President Steyn** 40 off at 776p and **Ventersport** 20 lower at 226p.

The lower premium and a downturn in overnight home markets saw Australians marked down at the start, but prices subsequently rallied on London buying interest directed again to energy related issues.

F.T. INDUSTRIAL ORDINARY INDEX

FINANCIAL TIMES STOCK INDICES

—	June 29	June 28	June 27	June 26	June 25	June 22	A year ago
Government Secs.	71.09	70.81	70.57	70.68	70.36	70.50	68.38
Fixed Interest	72.65	72.42	72.23	72.27	72.26	72.34	71.46
Industrial	473.4	469.3	466.9	476.2	475.4	476.0	460.2
Gold Mines	167.8	174.4	178.0	178.4	185.0	185.4	158.9
Gold Mines(Ex-$ pm)	152.4	155.6	158.9	161.5	165.1	163.0	104.6
Ord. Div. Yield	5.54	5.57	5.60	5.50	5.58	5.54	5.78
Earnings, Yld. % (full)	16.18	16.27	16.37	16.07	16.15	16.18	17.48
P/E Ratio (net) (*)	7.68	7.64	7.79	7.93	7.89	7.88	7.61
Total bargains	19,272	16,100	14,647	15,421	14,988	14,420	—
Equity turnover £m	—	86.88	67.46	71.15	80.71	58.63	54.94
Equity bargains total	—	13,831	10,702	11,778	11,297	10,593	12,363

10 am 472.0. 11 am 476.4. Noon 473.6. 1 pm 473.7.
2 pm 473.1. 3 pm 473.0.
Latest Index 01-246 8026.

* Nil = 7.57.

Basis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	68.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	206.4 (8/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$pm)	169.6 (8/6)	95.2 (2/1)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	June 29	June 28
—Daily		
Gilt Edged	126.8	123.4
Industrials	127.1	131.7
Speculative	26.7	22.8
Totals	84.2	87.6
5-d'y Av'r'ge		
Gilt Edged	119.5	114.0
Industrials	128.2	124.8
Speculative	28.0	27.6
Totals	86.2	85.8

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1150	100	2	133	—	-	—	1247p
BP	1200	53	1	108	—	168	—	"
BP	1300	16	7	60	1	120	—	"
Com. Union	140	10	—	19	14	23	—	145p
Com. Union	160	½	—	4	25	7	—	"
Com. Union	180	¼	—	2	—	5	7	"
Cons. Gold	160	58	1	46	—	—	—	216p
Cons. Gold	200	18	29	28	—	—	—	"
Cons. Gold	220	8	7	18	—	29	25	"
Cons. Gold	260	¼	—	2	2	5	—	"
Courtaulds	100	1½	—	6	—	7	8	90p
Courtaulds	110	¼	—	3	—	4½	1	"
Courtaulds	120	½	—	1½	7	2½	—	"
GEC	330	37	4	53	—	70	—	360p
GEC	390	4	28	19	4	36	18	"
GEC	420	1	8	10	10	23	4	"
GEC	460	½	—	5	10	15	6	"
Grand Met.	108	31	—	35	10	—	—	158p
Grand Met.	128	13	5	20	1	28	—	"
Grand Met.	138	6	25	13	10	22	15	"
Grand Met.	158	1½	10	6	—	11	—	"
ICI	330	23	—	34	38	44	—	345p
ICI	360	6	20	15	—	24	—	"
Land Secs.	240	52	5	62	—	—	—	293p
Land Secs.	280	17	—	29	11	42	—	"
Land Secs.	300	6	64	19	10	31	—	"
Marks & Sp.	100	13	—	18	5	—	—	111p
Marks & Sp.	120	2½	—	7	—	12	2	"
Marks & Sp.	130	½	61	3½	—	9	—	"
Shell	350	36	—	41	—	56	2	382p
Shell	375	16	21	35	10	44	—	"
Shell	400	8	18	20	20	35	—	"
Totals			311		188		88	
		August		November		February		
BOC Intl.	80	5	—	5½	—	8½	5	74p
Boots	200	6	—	15	5	19	5	191p
Boots	220	2	—	7	—	11	15	"
EMI	120	4	10	8	—	14	5	101p
Imperial Gp.	90	7	20	10½	—	13½	—	92p
Imperial Gp.	100	3½	—	6	16	9	—	"
RTZ	300	5	—	12	—	24	12	275p
Total			30		21		42	

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jun. 26	July 9	Sep. 20	Oct. 2
July 10	July 23	Oct. 4	Oct. 16
July 24	Aug. 6	Oct. 18	Oct. 30

For rate indications see end of Share Information Service

Increased activity in the Option market resulted in calls being dealt in **Britannia Arrow, European Ferries, MFI, Hepworth Ceramic, Premier Oil, Spillers, Beattie (J.) "A", Homfray, Burton Warrants, Ladbroke Warrants, Burmah, Southern Constructions, GEC, Record Ridgway, Barker and Dobson and Standard Telephones and Cables.** No puts were reported, while doubles were arranged in **Dunlop and Spillers.**

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	62	11	13	220	87	123
Corpns. Dom. and Foreign Bonds	16	2	47	49	33	243
Industrials	294	199	919	963	1,542	4,558
Financial and Prop.	134	74	296	341	662	1,519
Oils	10	15	13	67	54	69
Plantations	7	5	20	27	33	100
Mines	11	85	46	92	346	272
Others	21	76	48	157	323	251
Totals	555	467	1,402	1,916	3,080	7,135

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	12	1,245	−21	1,295	882
GEC	25p	11	360	+ 4	456	311
Shell Transport	25p	11	382	− 4	402	278
Brown (John)	£1	9	505	+12	592	356
European Ferries	25p	9	138½	+ 1½	183	121
ICI	£1	9	345	− 2	415	345
Marks & Spencer	25p	9	111	—	134	83
Ultramar	25p	8	326	− 2	328	210
BATs Defd.	25p	7	258	—	337	242
Stand. Tel. Cables	25p	7	181	+ 2	186	178
Courtaulds	25p	6	89	− 2	122	89
Midland Bank	£1	6	382	−10	455	348
P. & O. Defd.	£1	6	94	+ 1	104	71
Sound Diffusion	5p	6	134	+11	134	64½
Town & City Pps.	10p	6	19½	+ ½	21	14

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	£1	103	1,245	+35	1,295	882
BAT Inds.	25p	49	278	+ 7	362	263
GEC	25p	48	360	+ 5	456	311
Shell Transport	25p	46	382	+ 4	402	278
LASMO	25p	44	254	− 4	264	124
ICI	£1	41	345	− 9	415	345
Ultramar	25p	39	326	+ 8	328	210
Marks & Spencer	25p	37	111	− 3	134	83
European Ferries	25p	36	138½	− 2½	183	121
Tricentrol	25p	36	246	− 2	254	148
Burmah Oil	£1	35	135	+ 1	135	82
RTZ	25p	32	275	− 7	362	226
Barclays Bank	£1	31	436	− 2	514	360
Beecham	25p	31	543	+18	755	522
Royal Insurance	25p	30	332	− 5	443	325

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Banks Ltd	14 %
Amro Bank	14 %
American Express Bk.	14 %
A P Bank Ltd.	14 %
Henry Ansbacher	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd	14 %
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	12 %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (16)

BRITISH FUNDS (1)
Exchequer 12¼pc '99 A (£15 pd.)
BANKS (1)
Gerrard & National
BUILDINGS (1)
Rowlinson
CHEMICALS (1)
Coalite Group
STORES (1)
MFI Furniture
ELECTRICALS (1)
Sound Diffusion
INDUSTRIALS (2)
Brengreen
James (J.)
SHIPPING (2)
Fisher (J.)
Reardon Smith
TOBACCOS (1)
Dunhill (A.)
TRUSTS (2)
Viking Resources
London Merchant
OILS (3)
CCP North Sea
Century Oils
Clyde Petroleum

NEW LOWS (86)

FOREIGN BONDS (1)
Chinese 5pc 1925 Boxer
AMERICANS (27)
ASA
Asarco Inc.
Bendix
Bethlehem Steel
Browning-Ferris
Brunswick
Colgate-Palmolive
Crown Zellerbach
Esmark
Firestone Tire
Ford Motor
Honeywell
Hutton (E. F.)
IBM
Ingersoll-Rand
I.U. Intnl.
Kaiser Aluminum
Norton Simon
Owens Illinois
Quaker Oats
Rockwell Intl.
Shell Oil
Singer
Sperry Rand
Transamerica
U S. Steel
Xerox Corp.
CANADIANS (2)
Bell Canada
Canadian Imp. Bank
BANKS (4)
Algemene
Deutsche Bank
Hongkong & Shanghai
Nat. Bank of Aust.
BUILDINGS (4)
Bellway
Jarvis (J.)
Mowlem (J.)
UBM Group
CHEMICALS (5)
Anchor Chem.
Bayer A. G.
Brit. Tar.Prods.
Hoechst
Do. Fin. 10pcUns.Ln.
ICI
STORES (1)
Wallis Fashion
ENGINEERING (7)
Brickhouse & Dudley
British Northrop
Burgess Products
Hawker Siddeley
Neill (J.)
Record Ridgway
Weeks Assoc.
INDUSTRIALS (16)
Baird (Wm.)
Camrex
Continental Group
Davies & Newman
Duraplpe
Hargreaves
Hestair
Hutch. Whamp
Jardine Matheson
Lebaff (S.) (Fobel)
Lesney Products
Mathesons 7½pc
Owenstone
Schlumberger
Staffs Potts
Wood Hall
INSURANCE (1)
Taisho Marine
NEWSPAPERS (2)
Collins (Wm.) A
Wilson Bros.
TEXTILES (3)
Brit. Enkalon
Carrington Viyella
Foster (J.)
TRUSTS (5)
Argo Inv.
Crescent Japan
Jersey External Pref.
Robeco Sub. Shares
Stockholders Inv.
OVERSEAS TRADERS (1)
Sime Darby
RUBBERS (1)
Highlands
MINES (5)
Minorco
De Beers Defd.
Bougainville
Saint Piran
South Crofty

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
80	F.P.	11.7	91	76	B & Q (Retail) 5p	81	....	2.46	2.8	3.0	17.
‡115	F.P.	—	207	137½	††Baker (John)	195	−2	12.0	—	9.2	—
§66	F.P.	—	76	66	††Delight 10p	72	.....	bd5.0	2.2	9.9	6.
‡‡	F.P.	22.6	55	51	Fulcrum Inv. Income	51½	..	4.0	—	11.6	—
‡‡	F.P.	22.6	4½	3	Do. Capital 2½p	4	+¼	—	—	—	—
‡	F.P.	—	57½	36	Rock Darham	38	..	Q1.80	—	5.7	—
	F.P.	—	£15⅞	£15¾	Security Pacific Crp.	£15⅞	.....	8.0	2.1	6.5	11.
160	F.P.	—	186	178	StandardTel.&Cables	181	+2	...	...	...	...

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
100	F.P.	27.7	110½	107½	Kwik Fit (Tyres) 8¾% Cnv. Ln. 1979-85	110	.....
100	F.P.	26.6	102	90	Marshall's Univ'rs'l 7¾% Cnv.Cum.Red.Prf	90	−1
100	F.P.	30.8	102	100	Portsmouth Water 8% Red. Prf. 1984	101	....
98	F.P.	23.3	98¼	95½	York Water 12% Deb 1986	96	....

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ⊓	1979 High	1979 Low	Stock	Closing Price p	+ or −
36	Nil	9.7	10.8	4pm	1pm	Causton Sir (J.)	1½pm	...
65	nil	..	..	21pm	17pm	Century Oils	21pm	+4
22½	Nil	10.7	10.8	6pm	2½pm	Combined English Stores	4pm	−1½
55	F.P.	8.6	6.7	51	40	Edwards (Louis C.)	40	..
100	Nil	—	—	38pm	35pm	Geevor Tin	35pm	......
126	F.P.	29.6	10.8	142	131	Grand Metropolitan	136	−3
155	Nil	—	—	45pm	27½pm	Holt Lloyd Intl	45pm	−5
110	Nil	5.7	7.9	3pm	1pm	Intl. Timber	1pm	....
154	F.P.	22.6	27.7	171	157	MEPC	171	+6
105	Nil	—	—	5pm	1pm	McCorquodale	2½pm	.....
85	F.P.	—	—	121	101½	P.M.A. Holdings	120	−4
210	Nil	22.6	20.7	60pm	40pm	Peterson Tennant	40pm	.....
80	F.P.	—	—	43½	29	Provincial Laundries	38	....
60	F.P.	29.6	20.7	86	81	Scotcros	84	....
265	F.P.	15.6	27.7	295	270	Simon Engineering	278	−2
150	F.P.	15.6	13.7	156	142	Smurfit (Jefferson)	150	.....
455	F.P.	4.6	6.7	507	465	Standard Chartered Bank	465	−10
138	F.P.	18.6	9.7	145	131	Tilling (Thomas)	132	....
175	F.P.	25.5	4.7	254	210	Tricentrol	244	−2
93	F.P.	7.6	13.7	105¾	92	UDS	94	+1
87	Nil	—	—	13½pm	7pm	W.G.I.	11pm	....
20	F.P.	19.6	13.7	25½	17½	Weeks Associates	17½	−½

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Fri., June 29, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., June 28 Index No.	Wed., June 27 Index No.	Tues., June 26 Index No.	Mon., June 25 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	242.67	+0.6	17.48	5.55	7.48	241.27	239.46	241.96	241.73	210.34	287.87 (4/5)	219.99 (12/2)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (27)	225.45	+1.2	17.66	5.57	7.50	222.72	221.45	222.78	222.61	187.50	270.52 (8/5)	195.11 (12/2)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (28)	358.15	+1.3	25.04	5.81	5.03	353.54	354.49	358.14	359.66	336.30	451.74 (4/5)	323.88 (12/2)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (14)	584.13	+0.8	13.21	3.31	10.43	579.23	565.33	574.52	573.20	455.70	698.53 (4/5)	518.81 (12/2)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (12)	364.54	+0.7	19.88	6.30	6.44	361.85	360.17	362.00	360.56	310.45	429.70 (4/5)	338.08 (12/2)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (75)	182.37	—	18.11	6.18	7.17	182.31	182.32	184.14	184.01	167.75	211.08 (8/5)	171.47 (8/2)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	165.07	−0.4	19.60	9.06	6.39	165.72	166.33	167.54	167.37	160.24	192.29 (4/5)	153.60 (12/2)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (52)	229.08	+0.6	15.30	4.87	8.58	227.74	228.10	230.53	230.19	192.51	259.88 (8/5)	196.23 (8/2)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (16)	312.40	+0.6	11.98	3.67	11.71	310.40	311.27	314.48	313.94	225.47	352.61 (8/5)	253.08 (8/2)	352.61 (8/5/79)	42.85 (13/12/74)
13	Household Goods (12)	157.73	−0.1	17.90	7.11	7.34	157.93	159.37	159.99	159.88	172.26	180.81 (8/5)	157.33 (12/2)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (24)	117.62	+0.6	22.16	7.05	5.50	116.90	116.58	118.09	117.96	122.86	135.66 (4/5)	108.68 (12/2)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON-DURABLE) (171)	234.21	+0.7	16.20	5.78	7.82	232.65	230.82	234.06	233.09	198.13	269.81 (4/5)	202.54 (12/2)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	270.71	+1.0	15.34	5.46	7.70	268.08	266.12	270.75	270.00	221.57	306.13 (4/5)	220.79 (16/2)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (6)	300.71	+1.0	15.62	4.80	9.33	297.77	294.03	300.80	300.40	250.12	352.29 (29/3)	279.15 (2/1)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	313.61	+2.6	15.86	6.47	8.31	305.68	301.69	306.66	302.74	248.17	374.32 (3/5)	266.58 (12/2)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturing (19)	215.70	+0.4	18.30	5.93	6.79	214.93	212.20	214.80	213.79	192.43	236.75 (4/5)	193.52 (12/2)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (15)	292.27	+0.3	12.01	4.07	10.35	291.35	290.25	295.20	293.62	198.89	332.56 (8/5)	223.66 (12/2)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (12)	426.30	−0.3	21.92	6.83	6.47	427.53	426.96	429.77	428.45	385.91	492.56 (8/5)	366.08 (2/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	128.47	+0.4	23.18	8.30	5.58	128.00	127.57	128.48	128.75	131.46	155.12 (4/5)	127.57 (27/6)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (41)	235.57	+0.6	11.98	4.15	11.16	234.15	233.45	235.84	235.69	181.91	273.48 (4/5)	186.40 (12/2)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (23)	161.00	−0.8	22.44	9.40	5.67	162.21	160.68	164.64	164.15	170.33	191.61 (28/3)	160.68 (27/6)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	241.00	+0.4	23.17	8.90	4.98	240.03	236.14	239.70	236.69	239.18	294.86 (12/3)	232.55 (14/6)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (6)	72.51	−0.3	31.21	8.96	3.84	72.69	74.12	74.64	74.63	107.35	96.89 (29/3)	72.51 (29/6)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	202.04	+0.6	15.75	6.09	7.87	200.83	200.39	202.12	201.59	193.00	234.76 (8/5)	187.78 (12/2)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (18)	282.24	+0.1	17.98	6.69	6.49	281.96	282.09	285.71	284.61	277.15	329.77 (4/5)	268.31 (12/2)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	219.92	+1.6	12.54	4.97	9.91	216.56	214.89	217.23	216.62	251.51	285.48 (28/3)	214.89 (27/6)	291.13 (14/9/78)	214.89 (27/6/79)
44	Office Equipment (6)	119.20	+0.1	17.19	6.59	7.34	119.03	118.89	118.84	119.31	129.32	153.70 (29/3)	118.84 (26/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	455.46	+0.8	10.22	6.58	13.09	451.87	453.25	457.09	453.52	410.68	498.47 (7/6)	402.10 (20/2)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (58)	241.31	+0.6	16.08	5.92	8.09	239.76	239.05	240.34	239.93	198.95	273.91 (8/5)	203.62 (12/2)	273.91 (8/5/79)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (494)	235.32	+0.6	16.34	5.73	7.79	233.85	232.51	235.21	234.55	206.20	273.01 (4/5)	209.35 (12/2)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (6)	692.10	−1.3	11.40	3.03	9.33	701.55	691.99	702.09	699.54	482.28	704.23 (4/5)	497.67 (24/1)	704.23 (4/5/79)	87.23 (29/5/62)
59	500 SHARE INDEX	271.92	+0.3	15.42	5.22	8.04	271.24	269.28	272.56	271.75	229.08	308.20 (4/5)	237.06 (12/2)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (116)	187.35	+0.6	—	5.40	—	186.23	185.52	187.56	188.04	157.46	221.25 (4/5)	165.30 (9/2)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	227.11	−0.7	29.32	5.11	4.41	228.67	227.62	231.17	232.33	179.77	265.89 (4/5)	195.51 (1/1)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	260.09	+2.5	—	7.05	—	253.71	253.24	252.98	251.72	202.55	270.91 (8/5)	204.48 (9/2)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	158.43	+0.1	20.97	5.48	6.14	158.33	159.33	162.30	165.53	139.55	210.97 (8/5)	152.69 (15/2)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	151.56	+0.8	—	6.71	—	150.29	152.96	154.97	155.23	128.61	179.94 (4/5)	126.08 (12/2)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (8)	122.60	+0.6	—	7.37	—	121.89	120.48	121.47	120.91	120.98	157.45 (4/5)	115.27 (15/2)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	262.08	+2.3	19.17	7.01	7.47	256.19	258.16	261.48	263.04	325.16	352.82 (29/3)	256.19 (28/6)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	96.17	+0.2	—	5.45	—	95.97	96.20	96.15	97.32	76.99	111.51 (8/5)	74.91 (12/2)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (43)	342.22	+2.2	3.11	2.57	49.15	334.95	331.32	334.69	335.78	226.25	377.00 (8/5)	267.26 (2/1)	377.00 (8/5/79)	56.01 (20/4/65)
70	Miscellaneous (10)	118.60	−1.8	15.69	7.52	8.17	120.74	120.82	121.22	121.18	104.56	137.43 (8/5)	109.05 (12/2)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (110)	209.42	+0.2	—	5.32	—	208.99	208.79	210.02	210.42	208.13	248.31 (26/4)	202.36 (2/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	119.62	+0.3	16.69	6.29	7.28	119.28	119.15	119.37	120.37	97.80	149.04 (4/5)	101.26 (2/1)	175.90 (28/4/69)	66.31 (30/9/74)
91	Overseas Traders (20)	350.57	−0.3	15.46	7.04	8.00	351.67	351.74	355.34	356.02	309.17	380.98 (29/3)	292.50 (2/1)	380.98 (29/3/79)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	247.88	+0.3	—	5.32	—	247.15	245.65	248.46	248.10	210.67	283.82 (4/5)	218.89 (12/2)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., June 29	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	104.85	+0.09	—	4.77
2	5-15 years	114.65	+0.58	—	5.81
3	Over 15 years	120.30	+0.73	—	7.30
4	Irredeemables	129.50	+0.75	—	7.24
5	All stocks	112.64	+0.46	—	5.95

FIXED INTEREST YIELDS
Br. Govt. Av. Gross Red.

			Fri., June 29	Thurs., June 28	Year ago (approx.)	1979 Highs	1979 Lows
1	Low Coupons	5 years	10.55	10.55	8.94	10.86 (15/6)	8.88 (8/3)
2		15 years	11.05	11.12	11.06	12.41 (8/2)	9.90 (2/4)
3		25 years	11.55	11.64	11.79	13.24 (8/2)	10.49 (4/5)
4	Medium Coupons	5 years	12.31	12.36	11.78	13.95 (8/2)	10.58 (2/4)
5		15 years	12.57	12.64	12.28	13.95 (8/2)	11.22 (4/5)
6		25 years	12.57	12.66	12.33	13.95 (8/2)	11.45 (4/5)
7	High Coupons	5 years	12.54	12.57	11.78	14.31 (8/2)	10.94 (4/5)
8		15 years	12.92	13.01	12.75	14.52 (8/2)	11.61 (4/5)
9		25 years	12.89	12.98	13.04	14.48 (8/2)	11.73 (4/5)
10	Irredeemables		11.32	11.40	11.97	12.98 (8/2)	10.48 (10/4)

		Fri., June 29 Index No.	Fri., June 29 Yield %	Thur. June 28	Wed. June 27	Tues. June 26	Mon. June 25	Fri. June 22	Thur. June 21	Wed. June 20	Year ago approx.	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	57.10	†13.00	57.02	56.94	56.92	56.92	56.96	56.96	57.00	57.21	61.88 (4/6)	51.20 (16/2)	113.43 (28/10/66)	37.06 (8/1/75)
16	Investment Trust Prefs. (15)	48.56	15.49	48.86	48.88	48.58	48.38	48.38	48.58	48.58	51.01	53.07 (25/4)	47.01 (8/2)	114.41 (15/8/66)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	68.87	13.07	68.87	68.87	69.10	69.10	69.10	69.10	69.10	70.66	76.51 (24/4)	67.41 (15/2)	114.96 (7/10/66)	47.67 (6/1/76)

Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77
Other Groups	31/12/74	63.75
Overseas Traders	31/12/74	100.00
Engineering Contractors	31/12/71	153.84
Mechanical Engineering	31/12/71	153.84
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00
British Government	31/12/76	100.00

†Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at 20p per copy.

CONSTITUENT CHANGE: Debenture Corporation (Investments Trusts) has been replaced by North British Property (Property).

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AUTHORISED UNIT TRUSTS

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	47.9	51.2	+0.4	4.70
Do. Accum.	64.1	68.5	+0.5	4.70

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital June 21	107.3	108.4	.....	4.61
Gross Inc. June 21	78.1	80.3xd	.....	9.71
High Yield June 21	89.8	93.9	.....	8.95

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	101.9	108.4	-0.2	2.90
Do. Acc.	125.1	133.0	+0.3	2.90
G.T. Inc. Fd. Un.	171.7	182.6	-0.6	8.40
G.T. U.S. & Gen	126.6	134.6	+1.3	3.10
G.T. Japan & Gen.	76.7	81.1	-0.1	2.30
♦Gt. Pens Ex.Fd.	210.9	221.4	.....	2.90
G.T. Int'l. Fund	143.1	152.2	+3.4	1.90
G.T. Four Yds. Fd.	55.7	59.2	.....	7.90
G.T. Far East & Gen.	41.6	44.7	+0.5	3.50

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.6	38.0	+0.3	5.06

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP. 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	24.2	26.0xd	+0.2	0.32
British Tst. (Acc.)	60.7	65.3	-0.3	3.61
Commodity Share	28.2	30.4xd	-0.2	3.36
Extra Income Tst.	24.5	26.3	.....	9.54
Far East Trust	30.9	33.2	.....	0.14
High Income Tst	61.8	66.5	.....	9.32
Income Fund	79.3	85.3	+0.3	7.20
Ins. Agencies	14.13	15.10xd	-0.15	4.17
Intl. Exempt Fd.	96.6	102.8	+0.7	6.35
Intl. Tst. (Acc.)	30.4	32.7	+0.2	0.67

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	30.7	33.4	+0.8	9.50
Income	42.9	46.5	+0.8	8.90
Accumulation	75.5	81.9	+1.8	4.60
Growth	40.6	44.0xd	+1.0	5.00
Capital	43.7	47.5xd	-0.5	4.30
Small Co's	46.1	50.0	+1.1	4.20
Technology	69.1	75.1	+1.6	5.10

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster June 18	40.4	42.4	.....	5.96
Exempt May 31	108.7	112.7	.....	5.95

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	54.8	57.6	.....	3.68

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	69.0	73.5	.....	4.52

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	55.0	58.6xd	.....	7.00
Mutual Inc. Tst.	74.0	78.9	-0.3	7.60
Mutual Blue Chip	46.6	50.6	+0.3	6.75
Mutual High Yld.	57.9	62.6	-0.2	8.75

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 8555.

Income June 6	163.4	169.4	.....	5.74
(Accum. Units)	231.8	240.4	.....	5.74
Capt. May June 20	137.6	142.6	.....	3.25
(Accum. Units)	169.4	175.6	.....	3.25

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	53.2	56.6xd	.....	4.75
(Accum. Units)*	67.2	71.5	.....	4.75
NPI O'seas Trust	123.3	130.5	.....	2.50
(Accum. Units)**	133.5	141.3	.....	2.50

*Prices on June 19. Next dealing July 26.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	70.0	75.3xd	+0.1	3.95
Extra Inc.	65.5	70.4	+0.5	8.94
Financial	34.8	37.4	+0.1	5.43
Growth Inv.	89.4	95.0	-0.3	4.25
Income	36.0	38.7	+0.4	7.52
Portfolio Inv. Fd.	73.7	77.1xd	+0.7	6.16
Universal Fd	44.0	47.3	-0.4	2.81

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5911

Nelstar	63.6	66.9	-0.5	4.95
Nelstar High Inc.	49.0	51.5	-0.1	8.18

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fd.	384.6	404.8	+2.0	5.39

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	25.3	27.3	+0.1	5.05
Accum Units	31.0	33.4	+0.1	5.05
Pearl Inc.	34.5	37.2	+0.2	7.06
Pearl Unit Tst.	37.2	40.0xd	+0.3	5.74
(Accum. Units)	49.7	53.5	+0.4	5.74

Pelican Units Admin. Ltd. (g)(x)
57-63, Princes St., Manchester. 061-236 5685

Pelican Units	99.4	106.8	-0.3	4.61

Perpetual Unit Trust Mngmt.♥ (a)
48, Hart St., Henley on Thames 04912 6868

P'petual Gp. Gth.	54.7	58.8	.....	4.31
P'petual Gp. Inc.	—	58.8	.....	8.00

Practical Invest Co. Ltd.♥ (y)(c)
44, Bloomsbury Sq., WC1A 2RA 01-623 8893

Practical June 27	153.4	162.7	.....	4.43
Accum. Units	223.7	237.2	.....	4.43

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2. 01-247 6533

Prolific Units	84.9	90.9	.....	3.92
High Income	134.3	143.9	.....	7.52

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	139.0	147.5	+1.0	4.72

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	120.1	125.2	.....	3.81
Quadrant Income	141.6	146.0	.....	8.23

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	69.3	74.1	.....	5.91
Sekforde T. (Acc.)	44.0	47.1	+0.2	5.25
Sekforde T. Inc.	41.4	44.3	+0.2	5.25

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	77.0	82.0xd	.....	2.90
Ridgefield Income	90.0	96.0xd	.....	9.50

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Equity Fund	174.6	185.7	+2.0	4.00
N.C. Engy. Res. Tst.	120.2	127.9	+0.4	2.34
N.C. Income Fund	154.7	164.5	+2.3	7.78
N.C. Intl. Fd. (Inc.)	76.2	81.0	-0.3	1.75
N.C. Intl. Fd. (Acc.)	77.2	82.1	-0.3	1.75
N.C. Smllr Coys Fd.	189.4	201.5	+0.5	3.90

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American June 28	63.0	66.0	.....	1.46
Securities June 26	193.0	203.0	.....	3.77
High Yield June 29	56.3	59.3	-0.4	8.55
(Accum. Units)	84.5	89.0	-0.6	8.55
Merlin June 27	84.8	89.1	.....	3.97
(Accum. Units)	106.7	112.1	.....	3.97

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fd.	72.5	76.5	+1.8	3.39
Income Fd.	70.7	74.6	-4.5	7.53

Prices at June 29. Next dealing July 13.

Save & Prosper Group♥
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds				
Capital	36.0	38.7xd	+0.1	2.98
I.T.U.	25.3	27.1	.....	4.56
Univ. Growth	65.4	70.3	.....	2.94
Increasing Income Fund				
High-Yield	53.5	57.5	+0.3	7.52
High Income Funds				
High Return	70.5	75.7	+0.5	8.57
Income	43.4	46.6	+0.1	9.55
U.K. Funds				
UK Equity	48.0	51.6	+0.4	4.66
Overseas Funds (z)				
Europe	76.3	82.0	-0.6	3.63
Japan	73.9	79.4	-0.2	3.50
S.E. Asia	36.2	38.9xd	-0.2	3.90
U.S.	67.4	72.4	+0.2	2.37
Sector Funds				
Commodity	87.8	94.4	-0.7	3.85
Energy	85.8	92.2	+0.2	2.34
Financial Secs.	69.8	75.0xd	+0.4	4.04
High-Minimum Funds				
Select Internat.	253.9	267.9	+1.1	3.14
Select Income	57.8	61.0	+0.3	8.32
Exempt Funds♦				
Exempt Income*	176.4	186.2xd	.....	7.08
Exempt Intl.*	247.5	261.3	.....	3.01

*Prices at June 27. Next sub day July 11.

Scotbits Securities Ltd.

Scotbits	38.1	40.9	+0.1	4.33
Scotyield	50.7	54.5	+0.4	7.73
Scotshares	68.6	73.7xd	+0.4	4.44

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	38.9	41.0	.....	—
Equity Acc.	33.4	35.2	.....	—
Property Fd.	172.1	181.2	.....	—
Property Acc.	183.8	193.5	.....	—
Selective Fund	100.7	106.0	.....	—
Convertible Fund	139.6	147.0	.....	—
♥Money Fund	129.7	136.6	.....	—
♥Prop. Fd. Ser. 4	149.1	157.0	.....	—

Crown Life Assurance—contd.

Fixed Int. Fd. Acc.	112.3	118.2	+0.5	—
Fxd. Int. Fd. Incm.	106.7	112.3	+0.5	13.29
Inter'l. Fd. Acc.	105.8	111.3	-0.1	—
Inter'l. Fd. Incm.	104.2	109.6	-0.1	7.62
Money Fd. Acc.	101.7	107.0	.....	—
Money Fd. Incm.	96.0	101.0	.....	13.75
Dist. Fd. Incm.	107.1	112.7	+0.5	11.15
Crown Brt. Inv. 'A'	182.9	—	.....	—

Crusader Insurance Co. Ltd.

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$7.84		.....	—

Net asset value June 25.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.13	12.14	.....	12.23

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey 0534 76077

Cap Tst. (Jersey)	117.0	121.0	.....	8.26

Next dealing July 2

Gov't Secs. Tst.	92.0	95.5	.....	13.08

Next dealing July 2

East & Intl. Tst. (C.I.)	100	107	.....	3.50

Next dealing date July 12.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares		SUS1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	112.42	113.00	.....	8.19

Prices at June 21. Next sub. day June 27.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	SUS58.77	60.59	+0.34	8.07

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	84.2	89.2xd	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	48.6	51.1	.....	12.50
Unidollar Trust	SUS11.58	12.15	.....	1.66
Unibond Trust	SUS98.14	99.08	.....	9.00

1, Thomas St., Douglas, Isle of Man. 0624 4856

Unicorn Aust. Ext.	40.9	44.0	.....	2.00
Do. Aust. Min.	30.5	32.9xd	.....	1.80
Do. Grtr. Pacific	67.6	72.7	.....	—
Do. Intl. Income	36.5	39.3	.....	8.90
Do. Isle of Man Tst.	47.2	50.8	+0.4	8.90
Do. Manx Mutual	26.1	28.1	.....	1.80

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC *June 4	SUS39.03	42.35	.....	—
CANRHO **June 4	£1.079	1.245	.....	—
COUNT **June 4	£2.939	3.217	.....	2.68

Originally issued at *$10 and **£1. Next val. July 2.

Bishopsgate Progressive—Ldn. Agents
9, Bishopsgate, EC2N 3AD 01-588 6280

Kemp-Gee Managemnt. Jersey Ltd.
1 Charing Cross, St. Helier, Jersey. 0534 73741

Capital Fund	113.5	117.0	.....	—
Income Fund	64.6	66.7xd	.....	9.16
Gilt Bond	£1.015	1.069	.....	—

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,306	1,347	.....	2.40
Bondselex	117.10	122.90	.....	2.40
Cent. Assets	£146.98	147.03	+0.04	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.27	9.55	.....	12.00
Gilt Trust (I.o.M.)	104.3	107.0	.....	12.00
Gilt Fnd. Guernsey	9.47	9.53xd	.....	12.00
Intl. Govt. Secs. Tst.				
First Sterling	£19.32	19.39	.....	—
First Intl.	SUS217.65	218.04	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest	LF1114		+1	4.31
Guernsey Inc.	67.0	71.0	.....	4.62
Do. Accum.	85.2	90.2	.....	4.62
KB Far East Fd.	US$13.16xd		.....	2.28
KB Gilt Fund	£10.76	10.82	.....	11.46
KB Intl. Fund	US$12.46		.....	3.35
KB Japan Fund	US$32.37		.....	0.92
K.B. U.S. Gwth. Fd.	SUS13.18xd		.....	1.59
Signet Bermuda	US$5.37		.....	1.68
K.B. Int. Bd. Fd.	$104.40		.....	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey 0534 27561

Lloyds Tst. O'seas.	52.1	54.8	.....	2.75

Next dealing July 16

Lloyds Trust Gilt	£10.09	10.10	.....	12.00

Next dealing July 4

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF332.00	356.5	.....	1.30
Lloyds Int. Income	SF291.5	303.0	.....	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic June 26	US$3.57	3.91	.....	—
Aus. Ex. June 27	SUS2.63	2.97	.....	—
Gold Ex. Acc.	SUS18.82	20.87	.....	—
Island	139.6	148.6	-0.2	13.81
(Accum Units)	203.2	216.2	-0.4	13.81

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464

Apollo Fnd. June 20	SF43.72	47.45	.....	2.88
Japfest June 15	HK$12.82	13.88	.....	2.34
117 Group June 13	SUS11.16	12.18	.....	2.38

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

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LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

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[illegible]

U.S. $ & DM prices exclude inv. $ premium

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[illegible]

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Conversion factor 0.6084 (0.6920)

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[illegible]

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